

AGRICULTURAL OUTLOOK



March 1982

• Economic Research Service
United States Department of Agriculture

Farm Exports:
Volume Up, Value Down
See page 10

AGRICULTURAL OUTLOOK

March 1982/AO-74

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CHICAGO
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In Brief . . . News of Farm Exports, Pesticide Market, and 1982 Commodity Programs

Agricultural Economy

As the spring planting season approaches, low farm prices and the 1982 commodity programs may encourage farmers to reduce this year's production. The programs for wheat, feed grains, cotton, and rice offer incentives to reduce acreage of these crops. However, the level of farm participation in these programs—like the response to crop prices—is still uncertain.

Livestock producers are limiting production this year because of poor returns. In 1982, beef output may be about even with last year, and pork production will continue to decline sharply. Poultry production will likely grow only 2 percent this year, compared with 6 percent last year.

World Agriculture and Trade

Hampered by continued poor economic conditions worldwide, renewed strength of the dollar, large world supplies, and lagging corn shipments, U.S. agricultural exports for fiscal 1982 (Oct. 1981 - Sept. 1982) are now forecast at \$42.5 billion—down from the \$45.5 billion projected in November and \$1.3 billion below last fiscal year. This would be the first time in 13 years that the value of U.S. farm exports failed to increase from one year to the next.

Export volume may increase about 4 percent from last year to 169 million tons; thus, lower prices for most major products account for the decrease in export value. With a decline also anticipated for farm-product imports, the U.S. agricultural trade surplus will remain around last year's \$26.5 billion.



Food and Marketing

Among different commodities, there are wide differences in the proportion of consumer expenditures that go for food away from home and for food at home. Within the two markets—at home and away—and among various commodities, there also are wide differences in the expenditure shares that go to the farmer and that go to the marketer. The differences between markets and among commodities become more important as the away-from-home market grows and the final destinations of consumers' food dollars change.

In response to reader suggestions and efforts to reduce costs, the size of *Agricultural Outlook* has been reduced. The smaller size will reduce postage and ease handling. Eliminating the "wraparound" cover also will lower art costs. We will continue to provide the same quantity and quality of outlook information as before, but using less space. We welcome your comments on this change.

Agricultural Policy

Large supplies of grains and cotton and depressed farm prices have prompted USDA to announce acreage-reduction programs for 1982 wheat, feed grains, upland cotton, and rice. These programs, which are voluntary, give producers the option of reducing feed grain plantings by 10 percent and plantings of wheat, cotton, and rice by 15 percent. The reductions are to be made from a farm's acreage base, which will generally be the average of 1980's and 1981's acreage combined, or the 1981 acreage alone—whichever figure is greater.

Inputs

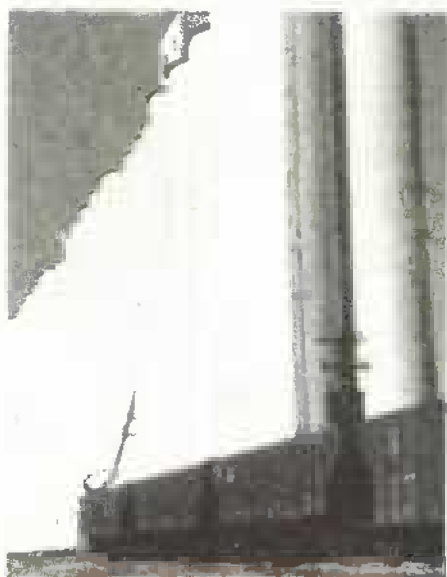
U.S. pesticide supplies for 1982 are expected to rise about 5 percent from last year. Farm pesticide use may be off 2 to 5 percent, with prices climbing only 5 percent from last season—compared with rises of 12 to 15 percent in the last 2 years.

Transportation

A surplus of rail transportation capacity is likely throughout 1982. Based on past performance, railroads could increase grain loadings 25 percent from 1981 levels. Moreover, the fleet of jump-bo covered-hopper cars (100-ton capacity or more) increased 6 percent to 231,000 during 1981. Unless grain marketings rise from current estimates, as many as 40,000 cars could remain idle for much of 1982.

Food Dilemma In Sub-Saharan Africa

Sub-Saharan Africa is the only region of the world where per-capita food production declined over the past two decades. While a few countries have improved since the early 1960's, most have shown moderate to severe declines. In 1981, preliminary figures show that per-capita food production in Angola, Ethiopia, Ghana, Guinea, Madagascar, Mali, Mozambique, Niger, Nigeria, Senegal, Sierra Leone, Sudan, Togo, Uganda, Upper Volta, and Zaire was less than 90 percent of the 1969-71 average.



Agricultural Economy

As the spring planting season approaches, low farm prices and the 1982 commodity programs may encourage farmers to reduce this year's production. The programs for wheat, feed grains, cotton, and rice offer incentives to reduce acreages of these crops. However, the level of farmer participation in these programs—like the response to crop prices—is still uncertain.

Livestock producers are limiting production this year because of poor returns. In 1982, beef output may be about even with last year, and pork production will continue to decline sharply. Poultry output will likely grow only 2 percent this year, compared with 6 percent last year.

Aggregate indicators of the farm economy emphasize the difficulties producers face. Even with a slowing of the increase in prices paid by farmers, production expenditures are expected to climb faster than cash receipts, keeping net cash income at a reduced level for the third straight year. Net farm income after inventory change, which rose last year because inventories climbed with the large 1981 crops, will be under pressure in 1982.

These difficulties result from poor economic performance worldwide and 1981's record or near-record U.S. crops. The long-term situation is being exacerbated by the uneven process of slowing inflation. As general inflation slows, raw commodity prices—which adjust continually—are more likely to drop quickly than are manufactured inputs. Thus, producers who sell in commodity markets but buy in less volatile supply markets find much greater price weakness in the commodity markets. If low inflation is eventually achieved and sustained, production adjustments might combine with lower costs to improve farmers' prospects.

Meanwhile, worldwide economic conditions and large supplies have lowered the value of U.S. agricultural exports, now projected at \$42.5 billion this fiscal year—down 3 percent in value from fiscal 1981 despite a 4-percent increase in volume. Lower projections for corn shipments account for about two-thirds of the decline in estimated export value.

With the corn export estimate reduced, U.S. corn carryover stocks for 1981/82 are now expected to reach a record 2 billion bushels (51.5 million metric tons). But more than 70 percent of the projected feed-grain carryover (of 65 million metric tons) is expected to be held in Commodity Credit Corporation (CCC) inventories and the farmer-owned reserves.

Likewise, over 65 percent of the anticipated wheat carryover (of more than 1 billion bushels) will likely be in CCC inventory or the reserve. The 1982 winter wheat plantings do not indicate the production adjustment needed to strengthen market prices. Most recently rated good to excellent, this year's crop might again exceed 2 billion bushels (54.4 million metric tons). Thus, farmer participation in the acreage-reduction program for both winter and spring wheat will significantly affect 1982/83's outlook.

In contrast to corn, volumes of wheat and soybean exports are expected to rise significantly, with soybean exports climbing mainly because of larger European Community imports. Nevertheless, large supplies are expected to leave soybean ending stocks at 350 million bushels (9.5 million metric tons), just 9 million below 1979's record.

The continued poor economic prospects for farmers, combined with likely acreage reductions, indicate that use of fertilizers and pesticides will decline slightly from last year. Similarly, investment in machinery is likely to remain limited.

Reduced acreages, the Florida freeze, and insect problems in California's Imperial Valley have curtailed fresh vegetable production, resulting in higher prices. Freeze damage to Florida's vegetable crop was less than in 1981, however.

Estimates of freeze damage to Florida's citrus crop this January lowered the total U.S. crop 10 percent from the pre-freeze estimate, leaving the total 16 percent below last year. Damage rates for oranges were less severe than during the freezes of 1977 and 1981; but they were more severe for grapefruit.

Higher fruit and vegetable prices will help raise retail food prices in the first quarter of 1982 about 2 percent from the preceding 3 months. For all of 1982, food prices are expected to trail the general inflation rate for the fourth consecutive year. As in 1981, higher food marketing costs will be the main source of food price rises, with changes in farm commodity prices exerting little upward pressure. (Lorna Aldrich (202) 447-2317)

LIVESTOCK HIGHLIGHTS

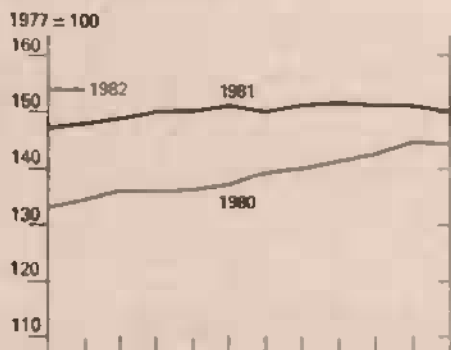
Cattle

On February 1, the number of cattle on feed in the seven major feeding States was 6 percent below last year and 11 percent below 2 years ago. At 7.06 million head, this was the lowest number for this date since 1975.

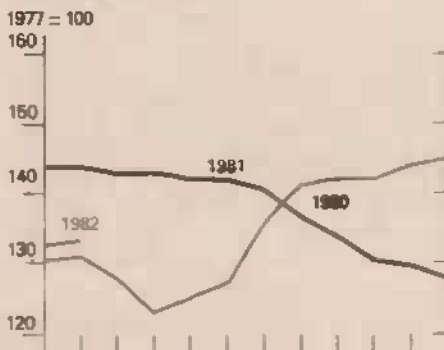
During January, feedlot placements increased 14 percent from a year ago—the first monthly rise since September 1981, again reflecting adverse weather. Because of dry, cold weather during much of January, many ranchers removed cattle from wheat pastures in the High Plains. This resulted in a 24-percent increase in placements in Texas, Kansas, and Nebraska—all located in or close to the High Plains. In the other four major States, which are outside the High Plains area, placements were near year-earlier lows. Early

Prime Indicators of the Agricultural Economy

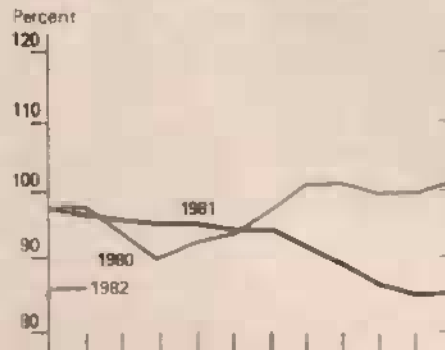
Prices paid by farmers¹



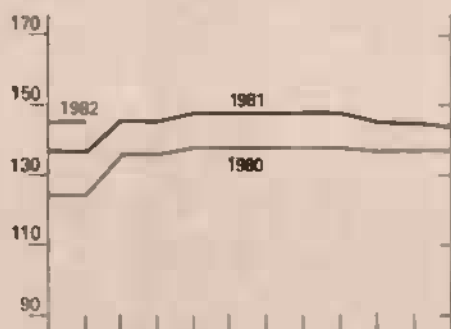
Prices received by farmers²



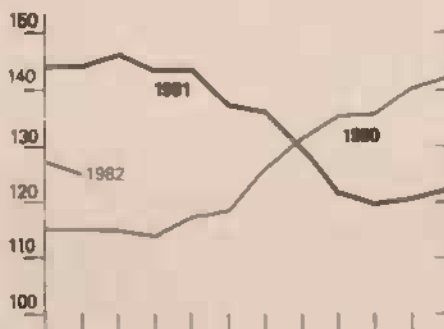
Ratio of prices received to prices paid



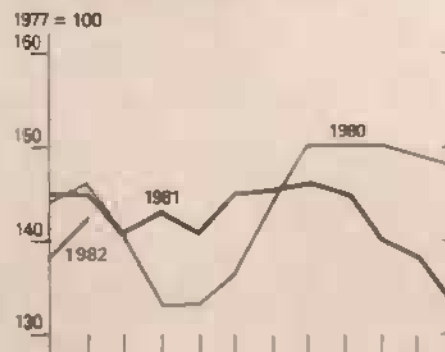
Fertilizer prices



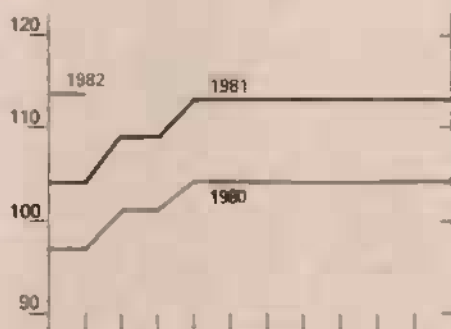
All crops



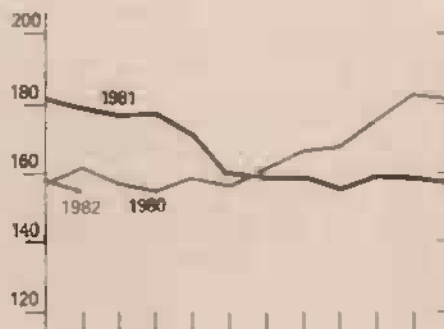
Livestock and products



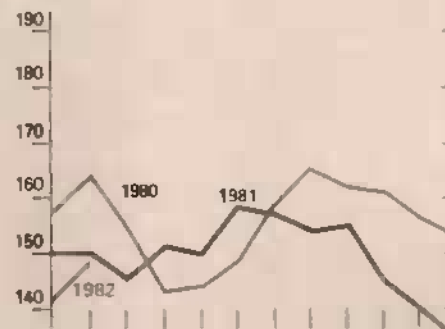
Agricultural chemicals



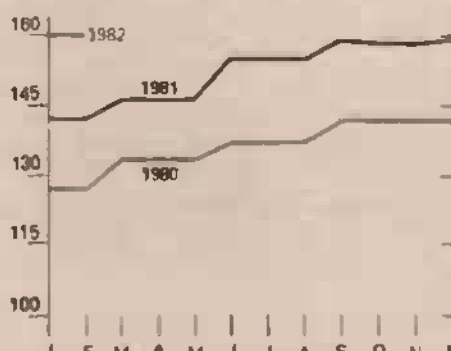
Food grains



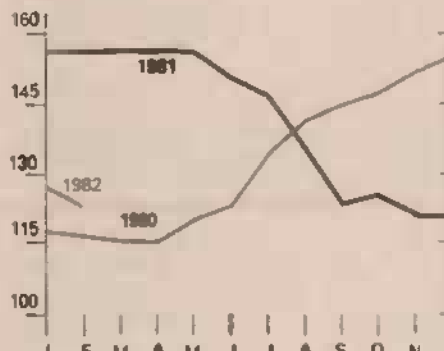
Meat animals



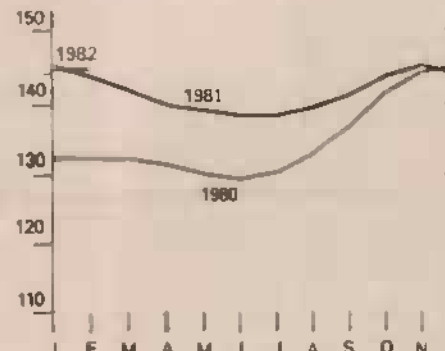
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products

February rains and milder weather likely slowed movement of cattle off wheat pasture until late winter. Under the recently announced wheat graze-out program, some cattle may be retained on pastures until late spring.

First-quarter 1982 fed-cattle marketings are expected to decline slightly from last winter's level. However, nonfed slaughter will likely hold production above a year ago, despite lighter slaughter weights. Increased placements this winter should bolster the small number of cattle weighing less than 700 pounds that were on feed January 1. However, both fed and nonfed slaughter are forecast to decline from last spring.

Choice steer prices at Omaha increased from \$58 per cwt in early January to \$64 in late February, as adverse weather, particularly in the North Central region, reduced total meat supplies. Fewer cattle were marketed from the North Central region, forcing packers to bid animals away from feeders in other areas—sometimes before normal market weights were reached. Milder weather during the remainder of winter will likely raise marketings and lower prices. For the quarter, prices may average \$62 to \$64 per cwt.

In the spring, Choice steer prices are expected to average \$64 to \$67 per cwt as total meat supplies drop further. Evidence of a strengthening economy would encourage increased feedlot placements this spring and summer, holding down nonfed slaughter. Feeder cattle prices will likely remain sensitive to higher interest rates or signs of a lackluster economic recovery. Prices for yearling feeder cattle may average near fed cattle prices this winter and then move to a premium in the spring. Prices for lighter weight feeder cattle could advance even more, particularly if conditions for a favorable grazing year continue to develop across the country. [Ron Gustafson (202) 447-8636]

Hogs

Over the past 3 years, hog producers have generally operated at a loss because of low prices and high production costs. However, pork production has now declined substantially, and hog prices rose about a fourth between early January and early February as the weather reduced marketings.

Large corn and soybean crops have resulted in lower grain and supplement prices. These lower feed prices, along with moderating prices of other inputs, may lower the cash costs of farrow-to-finish operators below 1981's.

The harsh winter has affected hogs more than other livestock, because about 80 percent of the nation's hogs are produced in the North Central region, where the winter has been especially severe. The weather has slowed weight gains and may result in longer feeding periods, which increase the feed-conversion rate.

The severe winter may also further reduce the December-February (1981/82) pig crop. However, the effect of the weather on the pig crop will not be known until the Hogs and Pigs report is released on March 19.

Pork production in first-quarter 1982 is forecast 8 to 10 percent below a year earlier. In January, commercial output declined about 13 percent from last year, partly because there was one less day of slaughter. In the first quarter, hog prices at the seven markets surveyed are expected to average \$46 to \$48 per cwt. January prices averaged \$45.63 per cwt. Prices are expected to rise further late in the second quarter as supplies decline seasonally. Economic conditions—and consumer budgets—add uncertainty to the price outlook, however. [Leland Southard (202) 447-8636]

Broilers

Broiler producers are expected to raise output more slowly in 1982, with first-quarter production forecast to increase 1 to 3 percent from 1981. Broiler output during April-June will likely be even with to 2 percent above 1981.

January and February wholesale prices for broilers in the nine cities surveyed averaged 44.9 cents a pound, down from 49.5 cents last year. Weather-related marketing disruptions caused lower supplies and higher prices during mid-January. Tight consumer budgets caused by the economic slowdown, plus plentiful supplies of all meats, are keeping broiler prices weak. Prices in the first quarter are expected to average 43 to 45 cents, down from 49.3 cents last year. Prices will likely strengthen seasonally in the spring and average near last year's 46.7 cents. [Allen Baker (202) 447-8636]

Turkeys

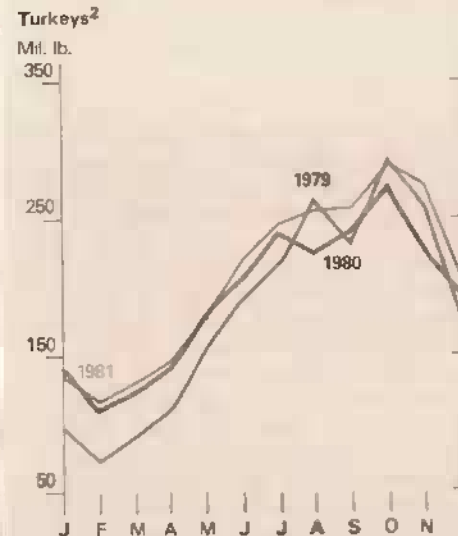
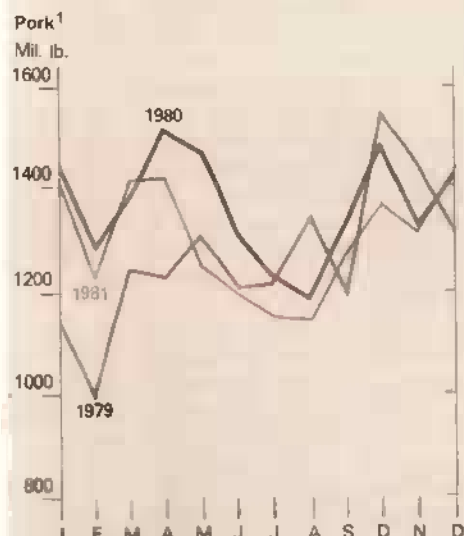
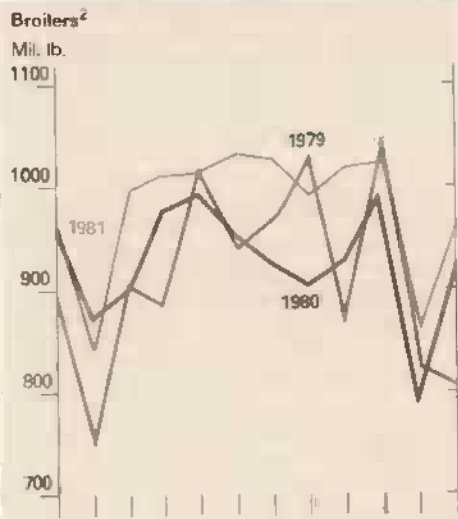
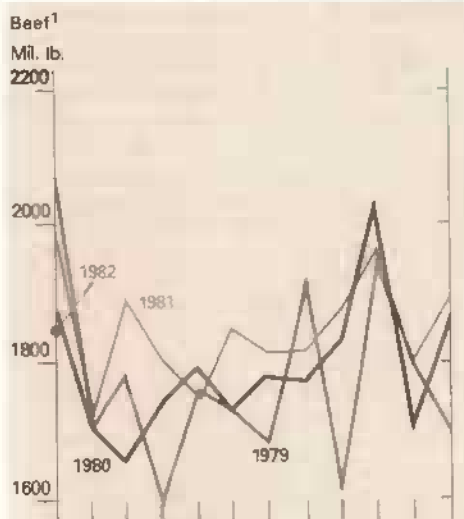
Based on the number of poults hatched in late 1981 and the large proportion of heavy-breed turkeys, production during the first quarter of 1982 is expected to be even with to down 2 percent from last year. Further declines in poults hatched for slaughter during the spring quarter—even with relatively more heavy birds—suggest that output during April-June will decline 1 to 3 percent from 1981.

Prices of young hen turkeys in New York during January averaged 53.6 cents, down from 59.4 cents in January 1981. Cold storage stocks on January 1, 1982, were 238 million pounds, up from 198 million last year. Processors cut prices sharply to move frozen turkeys during the fourth quarter of last year. If output declines as expected during the year, stocks will not weaken prices as they did last year. Prices have been strengthening during January and are forecast to average 55 to 57 cents during January-March, down from 61 cents last year. Prices during April-June will likely average 56 to 58 cents, down from 64 cents a year earlier, when producers were building stocks. [Allen Baker (202) 447-8636]

Eggs

January-March production is expected to be 1 percent below last year because of fewer layers. A short supply of replacement pullets contributed to the decline. Egg producers have had 2 years of mostly negative returns, and this, coupled with high interest rates, has forced producers to retain their old hens longer than in the past. The slaughter of old hens is generally below a year earlier, and the reduction has enabled producers to maintain egg output. As a result, if slaughter continues light, egg production during April-June is projected to be even with to 2 percent below a year earlier.

Prices for Grade A large eggs in New York averaged 81 cents a dozen during January, up from 76 cents a year earlier. Severe weather disrupted deliveries and pushed up prices in late January. As the weather moderated, prices declined. During January-March, prices are expected to average 76 to 78 cents, up from 73 cents last



¹Commercial production.

²Federally inspected slaughter, certified.

³Farm production. ⁴Total production.

year. Egg prices will likely show some strength before Easter, then decline seasonally. Prices during April-June are forecast to average 72 to 74 cents a dozen, up from 69 cents in 1981. [Allen Baker (202) 447-8636]

Dairy

The record-setting expansion in milk production continued in January and is likely to continue throughout 1982. Given the expected low prices for corn and soybean meal, dairy feed is likely to remain less expensive than last year for all of 1982. Thus, heavy concentrate feeding is anticipated—leading to continued gains in output per cow. In addition, with income alternatives limited (both off the farm and from other farm enterprises) and utility cow

prices low, the culling rate of dairy cows could remain slow. Further, given the plentiful number of dairy heifer replacements available, dairy cow numbers are likely to remain above year-earlier levels throughout 1982. On balance, 1982 milk production may climb 2 to 4 percent from 1981's record of 132.6 billion pounds.

During 1981, commercial disappearance of milk and dairy products (milk-equivalent, fat-solids basis) was about 1 percent more than a year earlier, but nearly unchanged from 1979. This year, use may rise around 2 percent as the increase in retail dairy prices slows and the general economy and consumer incomes improve in the second half.

The slowing in retail price gains that started last summer continued through the fall. Retail dairy prices increased an average of 7.1 percent in 1981, compared with 9.8 percent the year before. In 1982, a gain of 2 to 4 percent is expected.

Farm milk prices, which had exceeded year-earlier levels for 50 months, dipped below a year ago in December and have remained below since. In February, the all-milk price averaged \$13.90 per cwt—10 cents below last year. The all-milk price averaged about \$13.75 in 1981, up nearly 6 percent from 1980. In 1982, the price is expected to be about unchanged. [Cliff Carman (202) 447-8636]

CROP HIGHLIGHTS

Wheat

Despite exceptionally strong exports, feed use, and expansion of stocks in the farmer-owned reserve, large supplies continue to exert downward pressure on wheat prices. In coming months, the export pace, the condition of winter wheat as it comes out of dormancy, participation in the acreage-reduction program, and the crop outlook for other major producers in the Northern Hemisphere will affect cash prices. Currently, these factors indicate that the average U.S. farm price for 1981/82 will likely be more than 20 cents a bushel below last season's \$3.91.

The 1982 winter wheat crop is currently rated good to excellent, making another harvest of more than 2 billion bushels possible. Final decisions by growers of winter and spring wheat on participation in the acreage-reduction program will help determine the size of 1982's wheat harvest.

World wheat production is forecast at a record 453 million tons in 1981/82, 3 percent above last year and 1 percent more than the previous 1978/79 record. The United States and Canada had record crops, and Australia's crop is up over 50 percent from last year. The European Community had its second largest crop, and Argentina's crop is at last year's level. However, for the major wheat importers, production is down 6 percent (11 million tons), largely because of declines in the USSR and Eastern Europe. Soviet production is forecast at 88 million tons, the lowest level in 6 years. At this point, 1982 winter grain conditions look good in the major Northern Hemisphere producing nations.

World wheat consumption in 1981/82 is now forecast at 447 million tons, bringing the stocks-to-use ratio to 18 percent—about the same as the last 2 years, but low by historical standards. [Allen Schienbein (202) 447-8776 and Eileen Manfredi (202) 447-7643]

Oilseeds

This season's large U.S. soybean crop of 2.03 billion bushels (55.3 million metric tons) has helped push supplies to the second highest level on record. In response to these large supplies and lower prices, total use is forecast to increase 9 percent from last season to almost 2 billion bushels.

The 1981/82 U.S. soybean crush is estimated at 1.06 billion bushels (28.8 million metric tons), up 4 percent. Generally poor crushing margins resulting from relatively weak product prices (particularly for soybean oil) will continue to keep a lid on domestic soybean crushings.

U.S. soybean exports this fiscal year are forecast to jump 17 percent, or 126 million bushels, to 850 million (23.1 million metric tons). This rise corresponds to an anticipated 16-percent gain in European Community (EC) imports. Improved EC crushing margins are helping to expand the Community's demand for U.S. soybeans. Between September and February 18, EC imports of U.S. soybeans totaled 224 million bushels, up 30 percent from the year-earlier pace.

Carryover stocks on September 31, 1982, are forecast at 350 million bushels (9.5 million metric tons)—just 9 million bushels below the 1979 record. This season's overall supply/demand situation implies that farm prices for soybeans will average considerably lower than last season—possibly about \$6.25 a bushel. Adjusted for inflation, this average would be the lowest in 10 seasons.

Total world production of oilseeds is forecast at 172.4 million metric tons, down 1 million from last month's estimate because of reduced forecasts of Brazilian soybeans, Soviet sunflower seed, and Indian peanuts. However, this decrease in apparent availability is offset by sluggish demand, leaving international trade prospects basically unchanged.

With newly expanded crushing capacity for sunflower seed in the United States, Europe, and Latin America, demand is strong and stocks are falling. On the other hand, world demand for cottonseed and products has slackened just as supplies have increased.

As a result, use of uncrushed cottonseed as livestock feed is projected to increase, especially in the United States.

Slower-than-anticipated economic growth abroad or unanticipated foreign exchange developments could dampen international trade in soybeans and products. U.S. export projections are particularly tentative, as shipments of soybeans and products are well ahead of last year, but outstanding sales are lagging. [Leslie Herren (202) 447-8444 and Ed Allen (202) 447-8229]

Coarse Grains

The 1981 U.S. feed grain crop is estimated at a record 248.5 million metric tons, 10.3 million above the previous alltime high set in 1979. The corn crop—a record 8.3 billion bushels (210.8 million metric tons)—is up 23 percent from 1980's drought-stricken outturn. Total feed grain supplies of 283.3 million tons rose 13 percent from 1980/81. Because of continuing economic sluggishness worldwide, the estimate for U.S. corn exports has dropped 75 million bushels (1.9 million metric tons) from last month. Total domestic use and exports of U.S. feed grains are now projected at 218.5 million tons, only 2.4 million above 1980/81.

Ending stocks of feed grains are expected to build to 64.8 million tons in 1981/82, 30.2 million above a year earlier. The corn carryover may double last year's level, exceeding 2 billion bushels (over 51 million metric tons). Feed grains in the farmed-owned reserve are forecast at 37.9 million tons, and the CCC inventory will likely reach 9.2 million, leaving only 17.7 million of the 64.8-million-ton carryover available to the market.

For 1981/82, corn prices at the farm are now forecast to average \$2.40 to \$2.55 a bushel, compared with the previous projection of \$2.40 to \$2.60 and 1980/81's \$3.11. Average sorghum prices have been about equal to the feed value of corn, while the supply/demand balance for barley and oats has caused their prices to be much higher than corn's relative feed value.

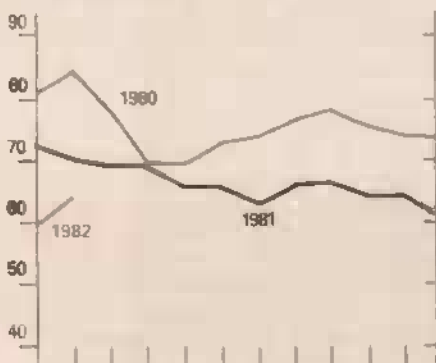
Commodity Market Prices: Monthly Update

Choice steers¹

¢/cwt.



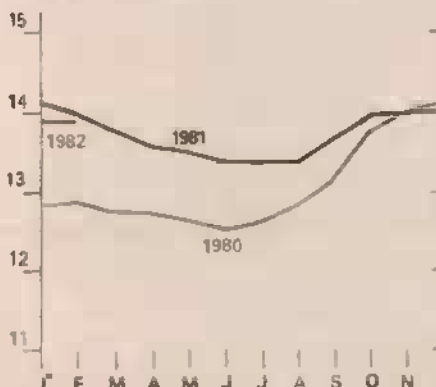
Choice feeder cattle²



Barrows and gilts³



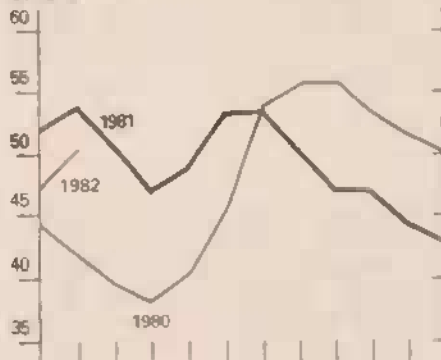
All milk



Prices for most recent month are mid month prices.
¹Omaha. ²600-700 lbs., Kansas City. ³7 markets.

Broilers⁴

Cents/lb.



Eggs⁶

Cents/doz.

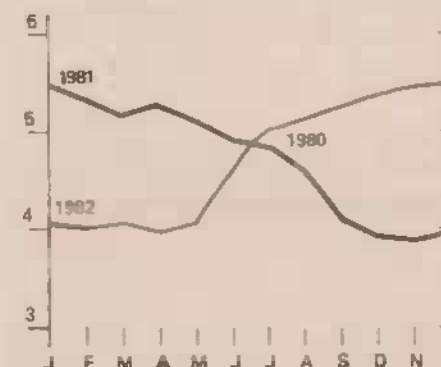


Rice (rough)

¢/cwt.



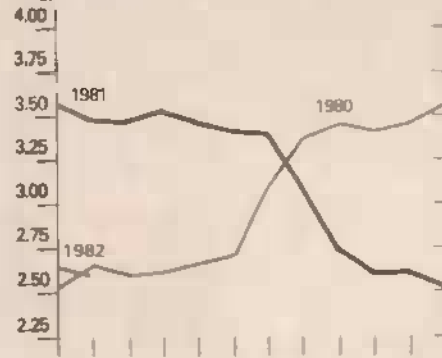
Sorghum grain



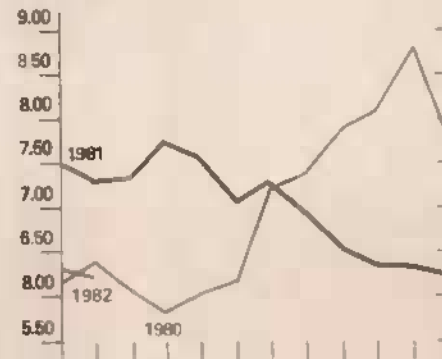
⁴Wholesale, New York. ⁵Grade A Large, New York.

Corn⁵

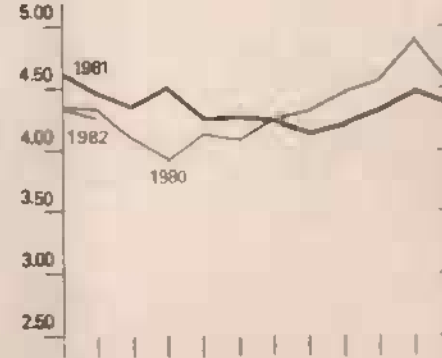
\$/bu.



Soybeans⁷

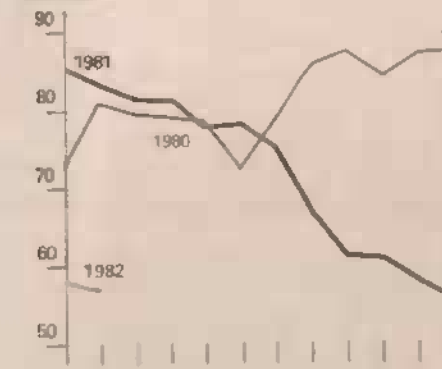


Wheat⁸



Cotton⁹

Cents/lb.



⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRW, Kansas City.
⁹Average spot market, SLM, 1-16.*

World supplies are record large in 1981/82. Foreign production declined slightly from 1980/81, but no growth in world imports is anticipated. The economic recession has weakened the demand for livestock products and, consequently, for feedstuffs. Many developing and Eastern European countries have reduced coarse grain imports this year because of foreign exchange constraints, especially in Poland.

World coarse grain trade may decline in 1981/82. EC imports are forecast at 10 million tons—significantly below recent levels. No increase in grain feeding is anticipated, and domestic wheat, barley, and non-grain feed ingredients are replacing imported corn in feed rations. Eastern Europe's purchases are projected at 8.6 million tons, 2 million below last year and the lowest since 1977/78.

Abundant exportable supplies from the major U.S. competitors will likely cause a substantial drop in the U.S. share of world trade. Argentina, Canada, and South Africa could export record volumes this year. [Robert Green (202) 447-8444 and Sally Byrne (202) 447-7643]

Cotton

The cotton outlook continues to be dominated by extremely large supplies and lackluster demand, reflecting current U.S. economic conditions. On the demand side, textile mill activity has declined to its lowest level since 1955. The estimate of cotton mill use has dropped to 5.6 million bales, while the U.S. export estimate remains at 7 million bales—1.1 million above last season.

These use projections would leave cotton stocks at around 6 million bales on August 1, 1982—well above the beginning level of 2.7 million. Reflecting the stock buildup, farm prices are about 30 percent below a year earlier, when they averaged 70 cents a pound. [Henry Foster (202) 447-8776]

Fruit

As of February 1, the U.S. citrus crop was forecast at 12.7 million tons, down almost 10 percent from the January estimate and 16 percent less than last season. The reduced estimate is due to the mid-January freeze in Florida. According to a sample fruit-cutting survey taken January 27-29, the damage to oranges is lower than during the 1977 and 1981 freezes, but it is higher for grapefruit.

The smaller crop will result in a sharply reduced pack of frozen concentrated orange juice (FCOJ). So, even with a sharply larger carryover and continued large imports from Brazil in prospect, the net effect of the freeze will likely be a moderately lower supply of FCOJ this season than last. Nevertheless, total supplies will still be adequate to meet market demand.

Immediately after the freeze, most major packers withdrew from the market, reentering a short time later with prices at \$4.25 for a dozen 6-ounce cans—up from \$3.95 before the freeze. Continuing to react to the freeze and its potential effect on orange supplies and juice yield, f.o.b. prices rose again to the current \$4.45, compared with \$4.25-\$4.45 a year ago. F.o.b. prices dipped to \$4.25 recently. If the recession persists and imports of orange juice continue brisk, prices may ease further. [Ben Huang (202) 447-7290]

Vegetables

Prices of fresh vegetables this winter will average near the record highs of a year ago because of reduced acreage, the Florida freeze, and an insect problem in California's Imperial Valley. Prices of tender vegetables (tomatoes, peppers, snap beans), which jumped after the Florida freeze in mid-January, have since moderated, indicating that damage was not as extensive as during the 1981 freeze. In addition, larger shipments from western Mexico (up a fifth during November-January) have eased prices. Lettuce prices have also retreated since mid-January, because the whitefly infestation that plagued early-planted fields has apparently subsided. Reduced planted acreage is the primary force behind the overall increase in fresh vegetable prices this winter.

The index of grower prices for fresh vegetables stood at 185 (1977=100) in February, down 3 percent from the all-time high in January and 12 percent above a year ago. Meanwhile, the January index of retail prices for fresh vegetables (excluding potatoes) was up a fifth from a year ago and a third above December.

Potato stocks on February 1 were 9 percent above last year in the wake of increased fall output. As a result, both grower and retail prices are well below 1981's historical highs. However, stocks of frozen french fries are about a tenth below a year ago, and processors have increased potato use by 18 percent this season. These factors could buoy prices in the months ahead, but prices will trail a year ago at least until fall, when the new crop is harvested. [Michael Stellmacher (202) 447-7290]

Sugar

The world (f.o.b., Caribbean contract No. 11) price for raw sugar strengthened to 13 cents a pound in January after dipping to a 2-year low of less than 12 cents in November 1981. The price eased to about 12.5 cents in late February, following reports of higher 1981/82 European Community sugar production. Global consumption and raw sugar production are still estimated at 92.5 million and 95.8 million metric tons, respectively, this season. Based on the prospects for a 3.5-million-ton rise in global stocks, world prices will likely be relatively low—12 to 16 cents a pound in 1982.

The domestic price of raw sugar (c.i.f., duty/fee-paid, New York) rose to 18.2 cents a pound in January from 17 cents in December, largely reflecting higher tariffs accompanying the new U.S. sugar program. However, lower world prices pushed domestic prices back to around 17 cents in late February.

U.S. production of cane and beet sugar (excluding Puerto Rico) is estimated at 6.23 to 6.35 million short tons, up 6 to 8 percent from last season. After allowing for damage from the Florida freeze, cane sugar output will likely rise 7 to 9 percent from 1980/81. High yields in Louisiana could mean the largest cane sugar outturn in that State in nearly 15 years. U.S. beet sugar production, at 3.2 million tons, raw basis, is estimated up 4 percent from last season. According to USDA's survey of prospective plantings, sugar-beet acreage could drop 7 percent in 1982/83.

Deliveries of sugar for U.S. consumption totaled 9.8 million short tons, raw value, in 1981, down 383,000 from 1980. U.S. sugar use could fall another 1 to 3 percent in 1982, while consumption of corn sweeteners, particularly high fructose corn sirup, could rise 7 percent. [Robert Barry (202) 447-7290]

Peanuts

U.S. peanut supplies for 1981/82 are 4.4 billion pounds, about one-third above the last marketing season because of recovery from the 1980 drought. All major use categories, including exports, are expected to increase. Although wholesale prices have dropped, the recovery of use has lagged—at least in the early part of the marketing year.

Growers approved poundage quotas for the 1982 crop in late January. On February 12, USDA announced loan rates for the 1982-crop quota and additional peanuts at \$550 and \$200 a ton, respectively. These rates show a \$95 increase from 1981 for quota peanuts and a \$50 decrease for additional peanuts. Grower intentions are for a 9-percent decline in planted acreage this year. Despite the elimination of allotments under the 1981 Agriculture and Food Act, the low price for additional peanuts is expected to limit the amount of peanuts produced above the quota. [Robert H. Miller (202) 447-8776]

Farm Income, 1978-1981

Item	1978	1979	1980	1981
\$ billion				
Cash Receipts:				
Crops	53.7	63.4	69.0	73.9
Livestock	59.2	68.5	67.4	68.8
Total	112.9	131.9	136.4	142.7
Direct Government payments	3.0	1.4	1.3	1.9
Other cash income	1.7	2.1	2.2	2.4
Total cash income	117.6	135.4	139.9	147.0
Cash Production expenses	82.3	97.8	106.9	116.1
Net cash income	35.3	37.6	33.0	30.9
Net farm income ¹	26.5	32.7	19.9	23.0

p = preliminary. ¹ Includes net change in farm inventories.

Tobacco

The 1981 crop has been virtually all sold, with prices averaging 12 percent higher than during 1980. During 1981/82, domestic disappearance is expected to remain about the same as a year earlier, but exports likely will rise because of the larger, higher quality crop. U.S. flue-cured disappearance during July-December 1981 was 7 percent higher than a year earlier, but the yearend carryover may still go up about 9 percent. USDA has set the national marketing quota for burley 3 percent higher; the effective quota goes down 6 percent. Harvested acreage may decrease about 6 percent, if producers stick to their early intentions. Overall, if the weather isn't extreme, tobacco production may drop a seventh from last year. [Robert H. Miller (202) 447-8776]

FARM INCOME UPDATE

Preliminary data for 1981 indicate that cash receipts increased 4 percent, while production expenses rose 8 percent—yielding an estimated 7-percent decline in net cash income for the farm sector. In 1982, as in 1981, increases in farm production expenses will probably outstrip gains in cash receipts, despite moderation in petroleum product prices, feed expenses, the general rate of inflation, and overall input use. This year, production expenses are

expected to climb 3 to 6 percent, which would be the smallest increase since 1975. Gross farm income will likely rise only 1 to 4 percent as increased farm marketings will be offset by low farm prices—producing only a modest gain in cash receipts.

In 1981, first-quarter disaster payments and fourth-quarter deficiency payments for wheat helped raise direct government payments about 50 percent over 1980. Direct government payments for calendar 1982 will likely remain near 1981 levels because of increased farmer-owned reserve storage payments and large cotton deficiency payments from the 1981/82 crop.

Net cash income will likely drop for the third year in a row. Net farm income—a more volatile measure of farm income that includes inventory adjustment and nonmoney income (such as the imputed rental value of farm-operator dwellings and estimates of the value of farm products consumed on farms)—rose about 15 percent in 1981 to an estimated \$23 billion. This increase was largely due to a substantial gain in inventory value—the result of last fall's large harvests, which rebuilt farm stocks depleted by the 1980 drought. Net farm income will be under pressure in 1982. [Gary Lucier (202) 447-4190]



World Agriculture and Trade

EXPORT UPDATE

Hampered by continued poor economic conditions worldwide, renewed strength of the dollar, large world supplies, and lagging corn shipments, U.S. agricultural exports for fiscal 1982 (Oct. 1981 - Sept. 1982) are now forecast at \$42.5 billion—down from the \$45.5 billion projected in November and \$1.3 billion below last fiscal year. This would be the first time in 13 years that the value of U.S. farm exports failed to increase from one year to the next.

Export volume may increase about 4 percent from last year to 169 million tons; thus, lower prices for most major products account for the decrease in export value. With a decline also anticipated for farm-product imports, the U.S. agricultural trade surplus will remain around last year's \$26.5 billion.

Shipments in the first quarter (October-December 1981) amounted to \$11.3 billion—4 percent, or \$440 million, below last year's figure. Export volume to date—at 44 million tons—is approximately the same as last year.

U.S. Agricultural Exports

	First quarter (October-December)		Fiscal year (October-September)	
	1980	1981	1980/81	1981/82 ¹
	\$ bil.			
Grains & feed	5.85	4.99	21.90	19.9
Wheat & flour	1.88	1.98	7.96	8.7
Rice . . . . .	.34	.33	1.54	1.3
Feed grains	3.04	2.04	10.40	7.9
Oilseeds & products	2.66	2.93	9.40	9.5
Soybeans	1.76	1.96	5.99	6.0
Soybean cake & meal . . . . .	.41	.40	1.60	1.5
Soybean oil . . . . .	.10	.12	.46	.5
Cotton & linters . . . . .	.50	.53	2.25	2.4
Fruits, nuts, & vegetables . . . . .	.85	.83	3.08	3.2
Tobacco . . . . .	.43	.55	1.34	1.6
Sugar & tropical products . . . . .	.36	.26	1.37	1.0
Livestock & products . . . . .	.75	.82	3.15	3.3
Dairy products . . . . .	.05	.11	.25	.5
Poultry & products . . . . .	.19	.20	.76	.8
Total	11.74	11.30	43.79	42.5

million metric tons²

Grains & feed:				
Wheat	9.83	11.49	42.25	48.6
Wheat flour . . . . .	.13	.05	.94	1.0
Rice . . . . .	.75	.77	3.17	2.9
Feed grains	20.54	16.44	69.00	64.6
Feeds, ingredients, & fodders	1.38	1.48	5.82	5.7
Oilseeds & products:				
Soybeans	5.71	7.57	19.97	23.1
Soybean cake & meal	1.51	1.71	6.15	6.5
Soybean oil . . . . .	.16	.24	.74	1.0
Sunflower seed . . . . .	.48	.76	1.43	1.6
Sunflower oil . . . . .	.08	.04	.30	.2
Other oilcakes & meal . . . . .	.10	.13	.44	.4
Other vegetable oils . . . . .	.42	.66	.60	.8
Cotton and linters . . . . .	.29	.35	1.28	1.5
Fruits, nuts, & vegetables . . . . .	.85	.89	3.25	3.4
Tobacco . . . . .	.08	.09	.25	.3
Beef, pork, & variety meats . . . . .	.09	.10	.45	.4
Animal fats . . . . .	.37	.39	1.54	1.6
Poultry meat . . . . .	.08	.08	.40	.4
Other	1.59	1.51	5.26	6.0
Total	44.00	44.08	162.61	169.2

¹ Forecast. ² Actual export tonnages not converted to product equivalents. Excludes animal numbers and some commodities reported in cases, pieces, dozens, liquid measures, etc.

Foreign economic recovery, a prerequisite for trade expansion, is now expected to occur later in 1982, with the U.S. dollar projected to remain strong for the rest of the year. Stable petroleum prices would allow some developing countries more flexibility to import, but rising interest rates could curb a significant inventory buildup.

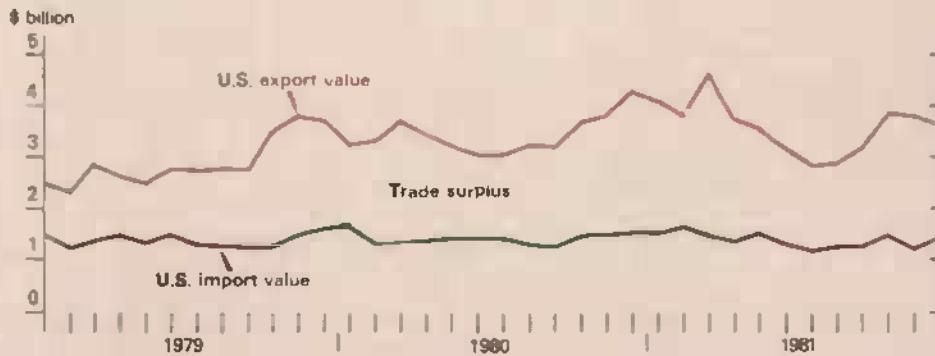
U.S. agricultural imports are projected to fall 7 percent to \$16.0 billion in fiscal 1982. Reasons for this decline include: record world coffee and sugar crops, economic recession, high U.S. unemployment, and declining U.S. per capita consumption of the major imported commodities.

Corn Exports Down Sharply; Prospects Bright for Wheat, Soybeans

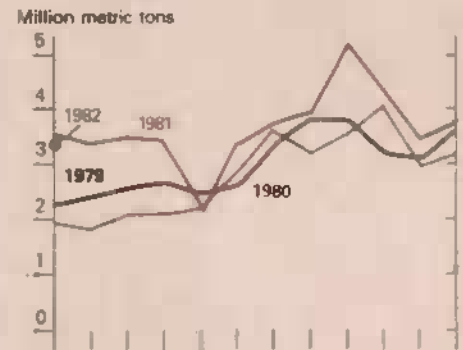
Severely depressed corn shipments at lower prices are expected to outweigh this year's prospective gains in export volume for wheat and soybeans. The reduction in corn exports explains about two-thirds of the decline in projected export value between the November and February forecasts. Since June 1981, monthly corn shipments have averaged 4.1 million tons—down 23 percent, or 1.2 million tons, from

U.S. Agricultural Trade Indicators

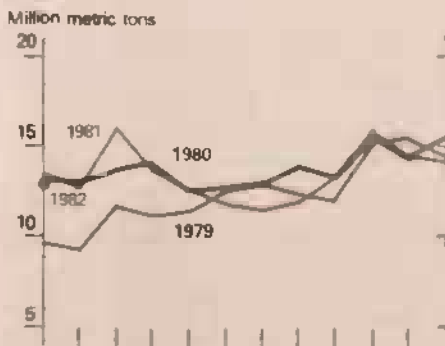
U.S. agricultural trade balance



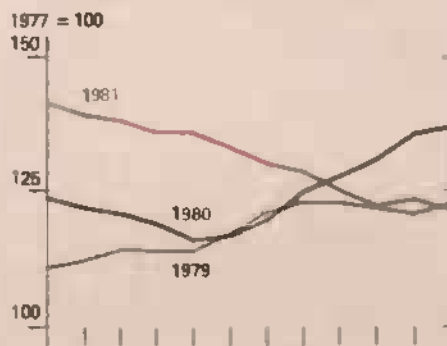
U.S. wheat exports



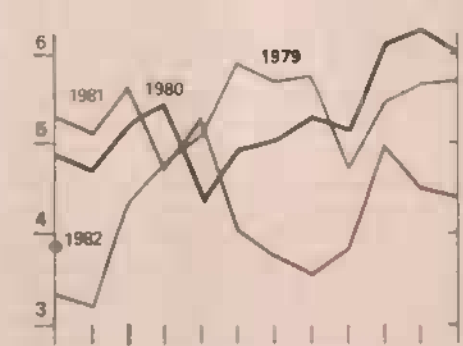
Export volume



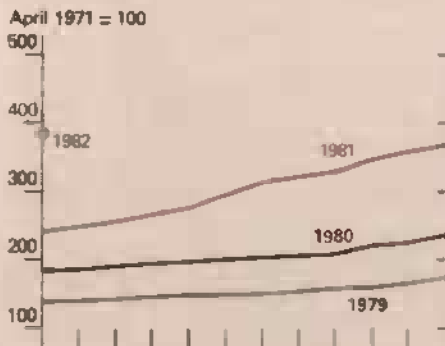
Export prices



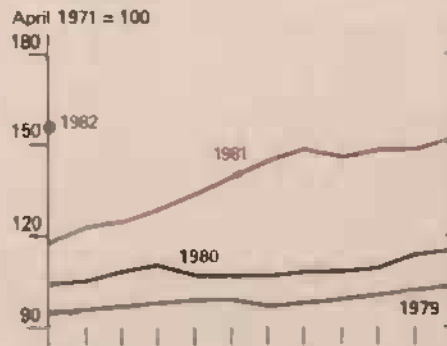
U.S. corn exports



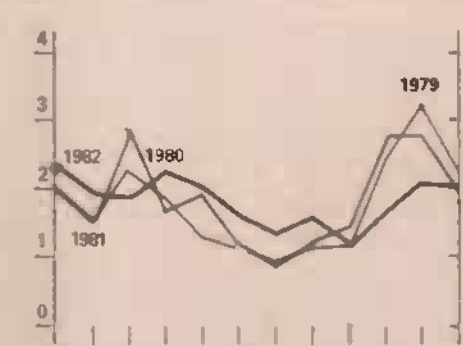
Wheat exchange rate*



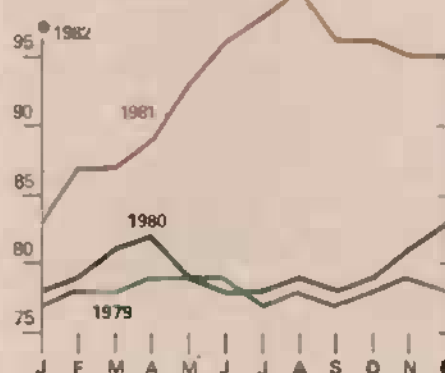
Corn exchange rate*



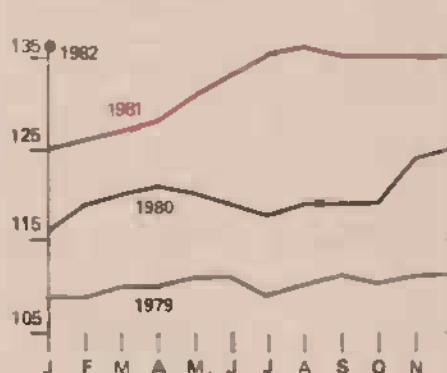
U.S. soybean exports



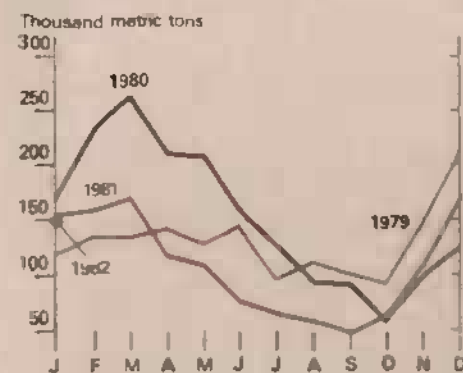
Soybeans exchange rate*



Cotton exchange rate*



U.S. cotton exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.

the previous 24-month average. Exacerbating this volume decline, corn and soybean prices for fiscal 1982 are forecast down \$30 and \$40 a ton, respectively, from last year. For corn alone, this would reduce the export value by more than \$2 billion.

Commodity developments favoring U.S. exports include:

- **Record demand for U.S. wheat.** Shipments to date are running 17 percent ahead of last year's record pace, with China and the Soviet Union the primary markets. Other markets with increased demand include Brazil, Egypt, India, Nigeria, Iran, Italy, Turkey, Algeria, and the Andean countries of South America. This demand has kept export prices stable over the past 6 to 7 months.
- **Improved crushing margins for soybeans in Western Europe,** coupled with a crop shortfall in Brazil. Through December, soybean shipments were 33 percent above the depressed levels of a year earlier. In addition, soy meal, soy oil, and sunflower seed exports are all significantly higher than in the first quarter of last year. However, these markets may change when Brazil and Argentina begin exporting heavily in April and May.
- **Excellent cotton movement since mid-November.** During this period, U.S. cotton has been moving out at an annual rate of 8 million (480-pound) bales, whereas the fiscal year forecast is less than 7 million. Japan's purchases are well ahead of last year's pace, as are those of Korea and Taiwan.
- **Unexpectedly heavy sales of rice.** Despite the absence of large Korean purchases (our major market in the past 2 years), rice shipments are expected to fall only 6 percent from last year's record. They will be bolstered by increased sales to the primary growth markets of West Africa and the Middle East, in addition to large exports of paddy rice to Italy.
- **Real growth, across the board, for animal product exports.** Volume gains were recorded during the first quarter of fiscal 1982 in every major category except poultry products.

- **Increased movement of corn gluten feed and meal.** Through December, shipments were 100,000 tons, or 16 percent, ahead of last year—apparently benefiting from reduced corn shipments. Nearly all of this commodity goes to the European Community.
- **A recovery in U.S. tobacco exports** from last year's reduced level.
- **Greater demand for fresh vegetables and pulses.** Exports of these commodities are currently 40 and 25 percent, respectively, ahead of last year's record pace. Last year, these two categories combined accounted for nearly \$900 million of the U.S. export total.

Regional Rundown

Western Europe. U.S. exports to Western Europe rose 18 percent in value during the first quarter, mainly because of larger soybean and protein meal shipments to the European Community (EC) and a sharp rise in grain shipments to Spain. The EC's livestock sector will again show moderate gains in 1982, with some improvement in profitability anticipated. In the face of two successive drought-reduced crops, Spain started buying large quantities of corn, sorghum, barley, soybeans, and soybean meal last fall to maintain a growing livestock sector, particularly for poultry.

Eastern Europe. From a U.S. perspective, the lack of credit financing—rather than a drop in demand—reduced U.S. exports to Poland by over half in the first quarter. Exports to all other Eastern European countries, except Bulgaria and Hungary, were also down significantly.

Because of this situation, U.S. farm exports to Eastern Europe in fiscal 1982 are forecast to decline almost a third from last year. Exports will be lower to Poland, Romania (currently experiencing its own credit problems), and Czechoslovakia, where officials are planning to cut hog numbers rather than import sufficient feed.

Soviet Union. Prospects for U.S. grain and oilseed sales to the Soviet Union waned after the Polish crisis flared up in mid-December. However, the Soviets have recently reentered the U.S. market for corn. Over the past 2 years, the Soviets have diversified their sources of food, putting greater emphasis on other suppliers—Argentina, Canada, and Australia—and concluding long-term agreements with Argentina, Canada, and Brazil. After a one-year absence, the USSR has reentered the U.S. soybean market, buying about 700,000 tons directly and buying meal (crushed from U.S. beans) from the Netherlands. The USSR is forecast to buy \$2.3 billion of U.S. farm products in fiscal 1982, including inedible tallow, hops, and lemons.

South Asia. Wheat, soybean oil, and inedible tallow usually account for a large share of all U.S. shipments to the region. South Asian purchases are projected at \$825 million in the current fiscal year. Commercial wheat shipments to India are forecast at 934,000 tons (representing that part of its 1.6-million-ton purchase not shipped in fiscal 1981). No additional wheat purchases are anticipated this year because of the favorable outlook for the 1982 Indian crop to be harvested in March and April. India and Pakistan are expected to buy 150,000 to 200,000 metric tons each, making them the largest U.S. soy oil markets.

East and Southeast Asia. First-quarter shipments to developing countries of this region declined 6 percent in value, primarily because of reduced rice exports to Korea. Nonetheless, fiscal 1982 exports should approach last year's total of \$4.8 billion. Larger exports to Taiwan and other "high-income" East Asian markets will offset anticipated reductions to Korea and Indonesia. Exports to Korea will decline nearly a fifth from last year as sluggish economic conditions are limiting recovery in the livestock sector and thus demand for U.S. feedstuffs. However, Korea continues to require raw materials—including cotton—for its massive export trade of other finished products.

Japan. American farm exports to Japan are projected to fall below year-earlier levels for the first time since 1975. Nevertheless, with annual purchases forecast to total \$6.1 billion, Japan will remain the largest U.S. market for the 20th straight year. Lower export unit values, Japan's stagnant livestock economy, and a declining U.S. share of Japan's feed grain imports are the major factors contributing to the decline.

China. Good 1981 harvests, somewhat slower growth in domestic demand, and reluctance to part with needed foreign exchange should halt the sharp upward trend in China's farm imports that began in 1977. Fiscal 1982 U.S. exports to China are projected to drop about 15 percent from last year's record. First-quarter shipments were down a fourth from a year earlier.

Middle East. With the resurgence of Iran as a major U.S. market, (annual purchases were nearly \$500 million prior to the hostage crisis), U.S. agricultural exports to the Middle East are expected to grow 6 to 7 percent this year. The major markets of this region include Iran (wheat, rice, and soybean oil), Turkey (wheat), and Saudi Arabia (rice, meat, and other processed products). It is not clear what effect declining oil revenues will have on this region's food imports.

North Africa. In the first quarter of fiscal 1982, U.S. farm exports to North Africa increased 16 percent in value from last year. The larger wheat and feed grain shipments are helping to alleviate the effects of drought in Algeria and Morocco and to fuel livestock industries in the region. Egypt's poultry sector is expanding rapidly to meet domestic and, possibly, foreign demand. P.L. 480 shipments, particularly of wheat flour, were slow in the first quarter, but they are expected to pick up later in the year.

Sub-Saharan Africa. With even the stronger economies of the region experiencing slower growth, lower P.L. 480 shipments projected for a number of countries, deteriorating terms of trade, problems with credit availability, and favorable agricultural production in some countries of Sahelian, Eastern, and Southern Africa, U.S. exports to this region are not expected to increase in fiscal 1982.

Exports of U.S. farm products to Nigeria in fiscal 1981 came to over \$500 million—more than a third of total U.S. exports to the region. Nigeria will remain a growth market in the near term. (For further information on this region, see this month's special report.)

Canada. Recession, a slightly lower exchange rate against the U.S. dollar, and a record Canadian coarse grain crop combined to drive down U.S. exports to Canada in the first quarter by 6 percent. Little real increase in demand is expected this year.

Oceania. The normally stable shipments (totaling around \$200 million) of U.S. tobacco, vegetable oils, fruits, nuts, and vegetables to Oceania will be augmented in fiscal 1982 by a sale of 100,000 tons of Commodity Credit Corporation (CCC) butter to the New Zealand Dairy Board. The sale is expected to increase exports 75 percent. This butter will be converted to butteroil for sale abroad.

Mexico. U.S. farm exports to Mexico dropped 33 percent from a year ago during October-December 1981, largely because of last fall's bountiful grain and oilseed harvest, very high stock levels, and a scarcity of storage space. These factors will hold down Mexican imports throughout fiscal 1982.

Caribbean. Deteriorating economic conditions throughout the Caribbean are weakening demand for U.S. farm products, much of which are processed or semiprocessed products (meats, canned fruits, fruit juices, etc.).

Central America. Weak demand, exacerbated by uncertain political conditions and expected declines in export prices of most commodities (except bananas), points to reduced U.S. farm exports this fiscal year.

South America. U.S. shipments will be sharply lower, partly because of improved crops in Brazil. (Steve Milmo (202) 447-9160)

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the April *Agricultural Outlook* comes off press.

March

23	Eggs, Chickens, & Turkeys
24	Peanut Stocks & Processing
25	Egg Products
26	Sugar Market Statistics
31	Commercial Fertilizers Agricultural Prices

April

1	Dairy Products Poultry Slaughter
5	Capacity of Refrigerated Warehouses
9	Vegetables
12	Crop Production
13	Milk Production
15	Potato Stocks
19	Cattle on Feed Cold Storage
21	Eggs, Chickens, & Turkeys
22	Grain Stocks Rice Stocks
23	Peanut Stocks & Processing Livestock Slaughter Egg Products

To start receiving any of these reports, send your name, address, and zip code to: SRS-Crop Reporting Board, USDA, Room 5829-South Bldg., Washington, D.C. 20250. Ask for the report(s) by title.



Food and Marketing

Among different commodities, there are wide differences in the proportion of consumer expenditures that go for food away from home and for food at home. Within the two markets—at home and away—and among various commodities, there also are wide differences in the expenditure shares that go to the farmer and that go to the marketer. The differences between markets and among commodities become more important as the away-from-home market grows and the final destinations of consumers' food dollars change.

Growth in Away-From-Home Food Market...

Consumer spending for domestically produced food reached \$285 billion in 1981, up nearly 160 percent since 1970. Of this total, slightly over 30 percent was spent for food away from home (excluding schools, hospitals, and other institutions), while about 64 percent represented grocery store sales (food at home). Since 1970, consumer expenditures on food away from home have risen somewhat faster than spending on food for home consumption; in 1970, the shares were 29.1 and 64.5 percent, respectively. Changes within the away-from-home market—particularly growth of fast-food services—were more dramatic, however.

Expenditures, Marketing Bill, and Farm Value, 1980¹

	Total	At Home	Away from Home
		\$ billion	
Consumer Expenditures			
Red meat	78.4	44.8	33.6
Poultry	17.8	12.4	5.5
Dairy	36.7	25.5	11.2
Fruits and vegetables	57.1	49.9	7.3
Grain mill	9.4	7.5	1.8
Bakery products	25.0	16.4	8.6
Miscellaneous	35.6	25.2	10.4
Total	260.0	181.7	78.3
Marketing Bill			
Red meat	47.5	21.4	26.1
Poultry	9.5	4.9	4.6
Dairy	20.6	12.2	8.4
Fruits and vegetables	45.7	40.2	5.5
Grain mill	7.8	6.0	1.7
Bakery products	21.6	13.6	8.0
Miscellaneous	25.9	16.7	9.2
Total	178.7	115.0	63.6
Farm Value			
Red meat	30.9	23.4	7.5
Poultry	8.3	7.5	.9
Dairy	16.1	13.3	2.8
Fruits and vegetables	11.4	9.6	1.8
Grain mill	1.6	1.5	.1
Bakery products	3.4	2.8	.6
Miscellaneous	9.7	8.5	1.2
Total	81.4	66.7	14.8

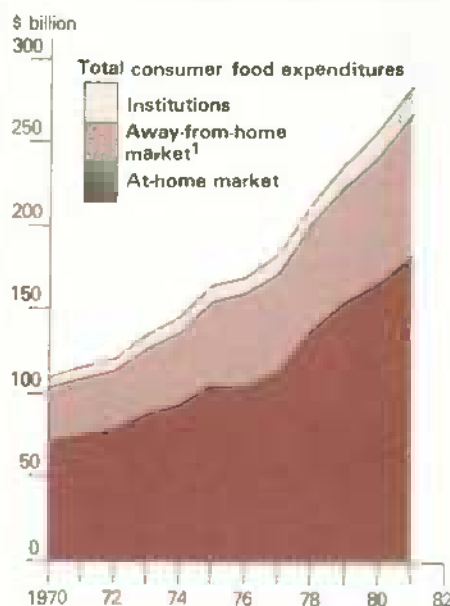
¹ Totals may not add because of rounding.

...To Slow this Year

The downturn in the general economy could slow growth in the away-from-home market this year as people try to reduce food expenditures by spending more money in grocery stores and less

in restaurants. This switch may have begun in 1981. Preliminary figures show that inflation-adjusted food sales at grocery stores grew faster in 1981 than sales at eating and drinking places: 1.5 versus 1.3 percent. If the economy turns up later in 1982, as expected, consumers will probably return to the long-term trend of faster growth in spending away from home.

Consumer Spending for U.S. Farm Foods

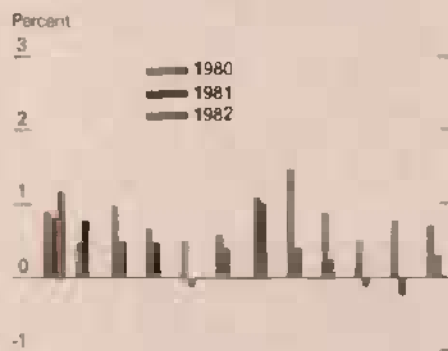


¹ Excluding institutions.
1981 Preliminary.

Continued growth in the away-from-home market could contradict the well known economic observation that as a population's income rises, the proportion of income spent on food falls. Data for the United States over the last 2 decades show that spending on food away from home increased as a percent of rising incomes, while spending on food at home decreased as a percent of those rising incomes. Because food served away from home requires more marketing services, the proportion of the consumers' food dollar accruing to farmers would be expected to decline with growth of the away-from-home market. Comparisons of farm value across commodities or over time, without consideration of the share of spending in each market, could be misleading.

Food and Marketing Indicators

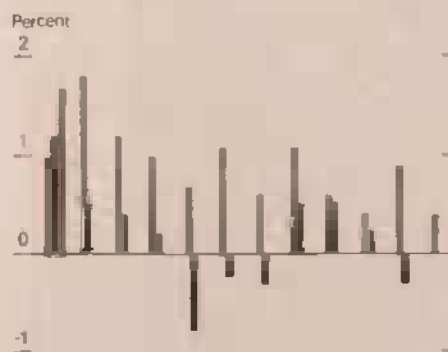
CPI: Total food ○



Farm food market basket, retail price



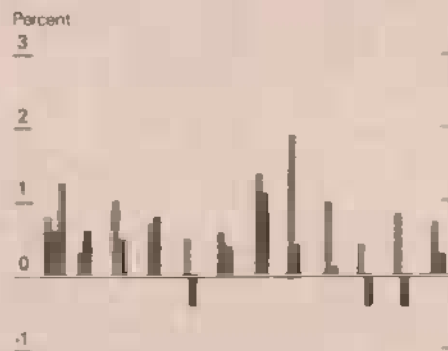
Imported food and fishery products



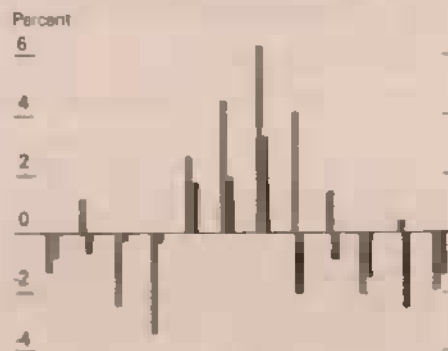
Packaging cost



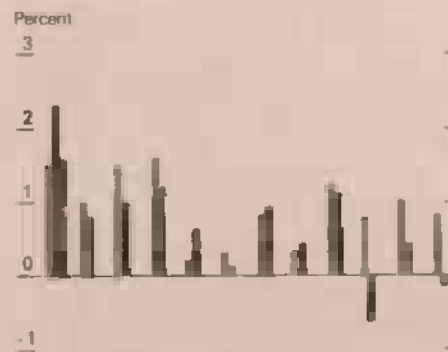
CPI: Food at home ○



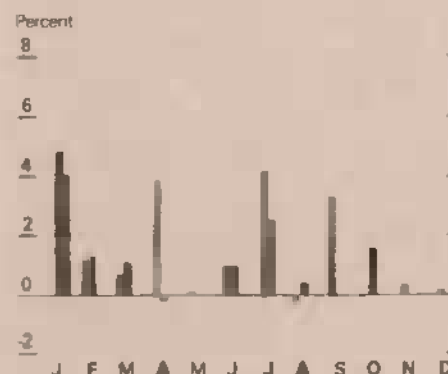
Farm value



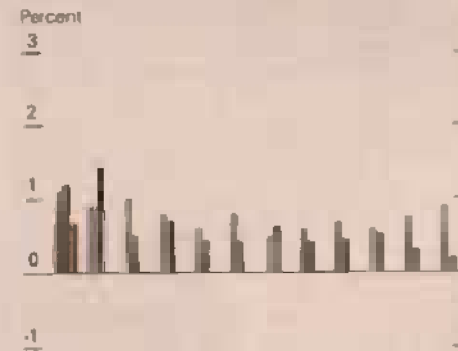
Marketing cost index



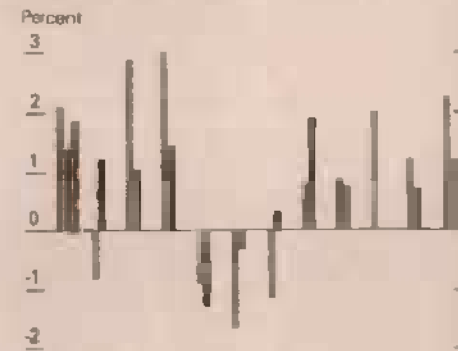
Rail freight rates



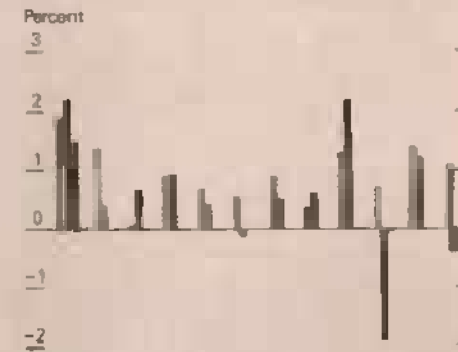
CPI: Food away from home ○



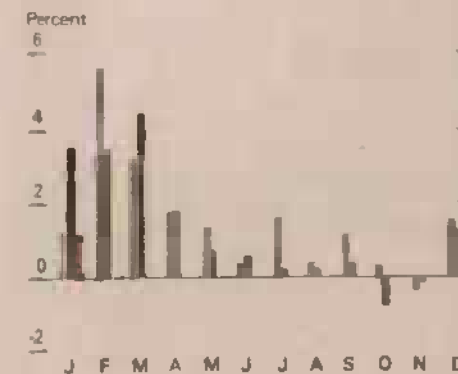
Farm-to-retail spread



Labor cost



Energy rates



○CPI unadjusted

All series expressed as percentage change from previous month.

Market Shares Vary by Commodity
Expenditures for red meat illustrate these points. In 1980, the latest year of complete data, red meat accounted for about 30 percent of all consumer food expenditures, with 61 percent of meat dollars accruing to marketers and 39 percent to farmers. But in the away-from-home market for red meat, only 22 percent of dollars spent went to farmers. However, of total expenditures in the away-from-home market, 43 percent is made up of red meat; of total expenditures in the at-home market, 25 percent is red meat.

Fruits and vegetables, the second largest category of expenditures after meat, account for 22 percent of total expenditures—but 27 percent of expenditures at home and only 9 percent of expenditures away from home. The farm value of home expenditures for fruits and vegetables is 19 percent, whereas the farm value of away-from-home expenditures on fruits and vegetables is 25 percent.

Bakery products, which receive 10 percent of all consumer spending are, like meat, better represented in the away-from-home market than in the at-home market. About 9 percent of at-home expenditures go to bakery products; the farm value accounts for 17 percent of these expenditures, but for 7 percent of the expenditures on bakery products in the away-from-home market.

Poultry takes equal shares of the at-home and away-from-home markets, in sharp contrast to the situation for red meat. The farm value of poultry, however, is 16 percent of the away-from-home expenditures for poultry and 60 percent of the at-home expenditures. Dairy products account for 14 percent of total expenditures, and 14 percent of both the at-home market and the away-from-home market. But the farm value, which is over half of the at-home dairy expenditures, accounts for only 25 percent of the away-from-home dairy expenditures. [Dave Harvey (202) 447-6860]



Agricultural Policy

Large supplies of grains and cotton and depressed farm prices have prompted USDA to announce acreage-reduction programs for 1982 wheat, feed grains, upland cotton, and rice. These programs, which are voluntary, give producers the option of reducing feed grain plantings by 10 percent and plantings of wheat, cotton, and rice by 15 percent. The reductions are to be made from a farm's acreage base, which will generally be the average of 1980's and 1981's acreage combined, or the 1981 acreage alone—whichever figure is greater.

Only farmers who participate in the acreage-reduction program will be eligible for target-price protection (deficiency payments), Commodity Credit Corporation (CCC) loans, and the grain-reserve programs. Farmers who intend to participate can sign up at their local Agricultural Stabilization and Conservation Service (ASCS) office

between February 16 and April 16, 1982. Farmers who sign up may change their minds up to the final certification day, determined by each State for each crop.

Program Features

Program Base Acreages. Local ASCS offices will establish base acreages for the affected commodities according to each farm's planted acreage in 1980 and 1981. Special circumstances affecting acreages, such as rotations or weather aberrations, will be taken into account. Two bases will be established for the feed grains—one for corn and sorghum and another for barley and oats. This will allow some flexibility to adjust acreages of the two crops within the base.

Example calculations for establishing and setting allowable acreages are illustrated in the accompanying table. In the example, the producer would have a wheat base of 700 acres (his 1981 acreage is higher than his 1980-81 average acreage) and a barley base of 500 acres (his 1980-81 average acreage is higher than his 1981 acreage). Reducing these bases by 15 and 10 percent, respectively, would allow the operator to plant up to 595 acres of wheat and 450 acres of barley and oats, not to exceed the 1,000 acres of cropland, and be in full program compliance.

Example of Base Acreages and Acreage Reductions

Year	Wheat	Barley	Total cropland
Acres planted			
1980	300	700	1,000
1981 ..	700	300	1,000
Base acreages			
1982 . .	700	500	—
Allowable acreage to plant			
1982 . .	595	450	—
Acreage reduction			
1982 . .	105	50	—

However, if the 1981 and 1982 acreages planted (as shown in the table) represent an established 2-year rotation, the 1982 wheat base would be 300 acres and the barley base 700 acres. Reducing these bases by 15 and 10 percent, respectively, would allow the operator to plant 255 acres of wheat and 630 acres of barley and oats. For wheat the 45-acre reduction amounts to 17.65 percent of the 255 acres permitted, and for barley the 70-acre reduction amounts to 11.11 percent of the acreage permitted.

Operators do not have to plant their full permitted acreage. By further reducing the acreage of the program crop, an operator can reduce the acreage that must be devoted to a conservation use. If the producer following the crop rotation planted only 200 acres of wheat (instead of 255), only 35 acres (17.65 percent of 200) would have to be idled. The extra land (10 acres) could be planted to a nonrestricted crop, such as sunflower.

Offsetting or Cross-Compliance.

Offsetting compliance and cross-compliance will not be required under the 1982 acreage-reduction programs. Farmers owning or operating more than one farm will not be required to participate on all farms in order to qualify for program benefits on participating farms (offsetting compliance). And, farmers need not comply with other acreage-reduction programs to be eligible for benefits on specific crops (cross-compliance). Further, normal crop acreages, national program acreages, allocation factors, and voluntary reduction provisions are not applicable when acreage-reduction programs are in effect.

Target Prices/Deficiency Payments.

Deficiency payments will be made to participating producers of wheat, feed grains, and rice if average farm prices are below the respective target prices during the first 5 months of the marketing year. Deficiency payments will be made to participating cotton producers if the average farm price for the calendar year is below the target. However, the deficiency payment rate cannot exceed the difference between the target price and the regular 9-month loan rate. Deficiency payments are made to producers on the basis of their established farm yields, not on their current harvested yields, and are paid whether the farmer still owns the crop, has sold it, has it under loan or has placed it in the farmer-owned reserve.

CCC Loans. Participating producers are eligible to place their target price crops in the regular 9-month loan program. Interest on loans made during March 1982 is 14.875 percent. No storage payments are made on crops entering the regular loan program.

Interest rates on regular loans and on farmer-owned reserve loans will change each month in line with costs of borrowing from the U.S. Treasury. Thereafter, each January, the interest rate on all outstanding loans is changed to the January rate, where it remains fixed for the balance of the year. Thus, all commodity loans are subject to a maximum of two different levels of interest rates—one at the time the commodity is placed under loan and the other at the January rate.

Farmer-Owned Reserve. Participating wheat and feed grain producers can place their crops in the farmer-owned reserve program. USDA has announced that the reserve is open for immediate entry of grain. Farmers who put grain in the reserve receive the loan rate plus advance payment for one year's storage. Storage payments will be 26.5 cents a bushel for all crops except oats, for which payment will be 20 cents. Interest at the prevailing CCC rate will be charged the first year of the reserve contract, but waived the second and third years. Interest charges are due when the loan is redeemed.

There will be no cap on the amount of grain in the reserve, and farmers will not be required to sell their grain when the trigger level is reached. However, on the second consecutive announcement that the market price is above the release level, storage payments will stop and interest charges will resume.

To Participate Or Not: Weighing the Choices

Each farmer will decide whether to participate by considering support levels, his ASCS farm information, crop production costs, expected yields and prices, marketing-storage opportunities, and potential program benefits. Generally, the higher the price a farmer expects, the less attractive participation becomes. One method to evaluate the potential benefits of participation is through partial enterprise budgeting. For this purpose, the accompanying table shows commodity program provisions, commodity support levels, and example ASCS farm data. With such a table, farmers can develop information on their own farm situation to compare the costs and returns for nonparticipation versus participation.

Budget Examples of Participating and Not Participating in Commodity Programs for 1982*

	Wheat	Feed Grains ²				Rice	Cotton
		Corn	Sorghum	Barley	Oats		
Commodity Program Provision							
Acreage reduction as a percent of base ¹	15	10		10		15	15
Commodity Support Levels	(\$/bu.)	(\$/bu.)	(\$/bu.)	(\$/bu.)	(\$/bu.)	(\$/cwt.)	(\$/lb.)
Target Price	4.05	2.70	2.60	2.60	1.50	10.85	71.00
Regular loan rate	3.55	2.55	2.42	2.08	1.31	8.14	57.08
Farmer owned reserve							
Entry price	4.00	2.90	2.75	2.37	1.49	N/A	N/A
Release trigger Price	4.65	3.25	3.10	2.65	1.65	N/A	N/A
Storage payment	.265	.265	.265	.265	.20	N/A	N/A
Individual Farm ASCS Information							
Base acreage	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ASCS yield/acre	30	100	55	46	50	45	452
Example deficiency payment rate/unit ³	.30	.15	.18	.15	.0	1.00	.98
Not Participating							
a. Estimated yield/acre	33	105	60	50	55	47	465
b. x example price/unit ⁴	3.75	2.55	2.42	2.45	1.80	9.85	61.2
c. = gross receipts/acre	123.75	267.75	145.20	122.50	99.00	462.95	284.58
d. less variable cost/acre	68.00	165.00	86.00	77.00	60.00	318.00	⁵ 222.00
e. = net receipts	55.75	102.75	59.20	45.50	39.00	144.95	62.58
Participating in Regular Loan Program ⁶							
a. Estimated production/acre	28.1	94.5	54.0	45.0	49.5	40.0	395.3
b. x loan rate	3.55	2.55	2.42	2.08	1.31	8.14	57.08
c. = amount of loan	99.76	240.98	130.68	93.60	64.85	325.19	225.61
d. + deficiency payment	7.65	13.50	8.91	6.21	0.00	38.25	38.73
e. = gross receipts	107.41	254.48	139.59	99.81	64.85	366.44	264.34
f. less variable cost ⁷	63.05	152.00	80.90	72.80	57.50	275.55	⁸ 193.95
g. = net receipts ⁹	44.36	102.48	58.69	27.01	7.35	90.89	70.39
h. interest on loan ¹⁰	8.98	21.69	11.76	6.42	5.84	29.27	20.30
Participating in Farmer-Owned Reserve ⁶							
a. Estimated production/acre	28.1	94.5	54.0	45.0	(¹¹)	N/A	N/A
b. x loan rate	4.00	2.90	2.75	2.37	—	N/A	N/A
c. = amount of loan	112.40	274.05	148.50	106.65	—	N/A	N/A
d. + deficiency payment	7.65	13.50	8.91	6.21	—	N/A	N/A
e. + storage payment	7.45	25.04	14.31	11.93	—	N/A	N/A
f. = gross receipts	127.50	312.59	171.72	124.79	—	N/A	N/A
g. less variable cost ⁷	63.05	152.00	80.90	72.80	—	N/A	N/A
h. = net receipts	64.45	160.59	90.82	51.99	—	N/A	N/A
i. interest on loan ¹⁰	13.49	32.89	17.82	12.80	—	N/A	N/A

¹ The base is 1980-81 average planted acreage or 1981 planted acreage, generally, whichever is larger. ² There are two feed grain bases—one for corn and sorghum, the second for barley and oats. ³ Example deficiency payment rates are the differences between per-unit target prices and example prices. ⁴ Example prices are for illustration purposes only; they are not to be considered USDA projections. ⁵ Ginning costs are assumed to equal cotton seed value, so neither is included in the calculation. ⁶ Budgets are based on one acre of which a percentage is planted and a percentage is idled. ⁷ Variable cost applies to the planted acreage and the idled acreage placed in a conserving use. Estimated cost to apply conservation practice to idled acreage is \$35.00 per acre. ⁸ During the loan period, participating producers may terminate regular loans and sell the crop or place it in the farmer-owned reserve. Both these options would increase net receipts above the levels indicated. ⁹ Annual interest rate on loans is 12 percent. Interest charge on regular loans is for nine months and on farmer-owned reserve, 12 months. ¹⁰ Market price is above the release trigger prices; therefore oats would be ineligible to enter the farmer-owned reserve. N/A = not available.

*Deficiency payment rates, commodity market prices, interest rates, yields, and variable costs are for example purposes only. They are in no way to be considered USDA forecasts.

To highlight one comparison from the table, assume that a wheat producer is trying to decide whether or not to comply with the 15-percent reduction. With participation, cash receipts can come from two sources—cash sales and deficiency payments. A participant also can take a loan or enter wheat in the farmer-owned reserve, if higher prices are expected later in the marketing year or in subsequent years. Production costs include variable outlays on acreage planted to wheat and cover crop costs on conservation acres. Fixed expenses would remain the same whether or not the producer decides to participate, thus they can be left out of the example calculation.

In the example, the wheat farmer expects a yield of 33 bushels per acre, a market price of \$3.75 a bushel, and variable production costs of \$68.00 per acre. If the choice is not to participate, net receipts of \$55.75 per acre would be expected. This return would vary with each farmer, depending on the actual yield obtained, the price expected during the next marketing season, and the variable production costs. This net return from nonparticipation—the market—is the basis against which farmers compare returns for participation.

The farmer could participate without storing the wheat or taking out a loan. In this case (not shown in the table), the gross expected receipts comprise the market proceeds from the reduced acreage plus any anticipated deficiency payment. The costs include variable production costs on the reduced acreage plus the conservation costs. Return above variable costs would be about \$50.00.

The farmer in the example could participate with a regular loan. In this case, gross returns would consist of the loan plus a deficiency payment, and net receipts would be \$44.36 per acre. [Note that the estimated production (28.1 bushels) is 85 percent of estimated yield (.85 x 33), since 15 percent of the acre is idled.]

The farmer could participate and place the wheat in the farmer-owned reserve. Production would remain the same, but the loan rate would increase 45 cents above the regular loan level to \$4.00 a bushel. The gross return would then consist of the loan, deficiency payment, and storage payment—a total of \$127.50 per acre. The storage payment is equal to the estimated production times the storage payment rate (28.1 bushels x \$.265 = \$7.45). After the variable cost is subtracted, the expected net return (net receipts) is \$64.45 per acre. But, this producer's crop is now stored under long-term contract, so the crop must stay in storage until a specific release price (market price) is reached (\$4.65 for wheat in 1982 and \$3.25 for corn). Selling the wheat before the release price is reached would subject the producer to a penalty.

Even if the prospect of deficiency payments doesn't make program compliance attractive, eligibility for CCC loans and the farmer-owned reserve may provide incentives. If prices are low at harvest—often the time of seasonal lows—the loan may permit the farmer to delay marketing in order to benefit from future price rises.

The farmer-owned reserve loans aid cash flow substantially because farmers may immediately enter grain in the reserve and receive the higher reserve loan rate plus a year's storage in advance. For wheat, this is \$4.265 a bushel (\$4.00 + \$.265), well above the assumed price of \$3.75 per bushel in the example. Also, the reserve offers the chance to wait for a higher price in the future—beyond the 9-month life of a regular loan. Whether this additional option is reason enough for producers to comply with the acreage-reduction program will depend on how much they value the reserve. Commodity prices expected next year and the cost and availability of storage space are also factors to consider. [Leroy Rude and Jim Johnson (202) 447-6620]

Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Rice	Mar. 23
World Crop Production*	Apr. 12
Ag Supply & Demand*	Apr. 13
Ag Supply & Demand*	Apr. 23

All reports are reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ERS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. *These reports, released by the WAOB, are issued in full on the date indicated.



Inputs

OUTLOOK FOR PESTICIDES

U.S. pesticide supplies for 1982 are expected to rise about 5 percent from last year. Farm pesticide use may be off 2 to 5 percent, with prices climbing only 5 percent from last season—compared with rises of 12 to 15 percent in the last 2 years.

The export market is projected to remain strong in coming years. Between now and 1985, analysts project world consumption to grow 3 to 4 percent a year. In the domestic market,

consumption (quantity of active ingredients) is expected to increase only 1 percent a year, but the value of domestic sales (real dollars) may rise 5 percent annually because of the continued introduction of more complex pesticides.

1982 Consumption Forecast Down

In 1982, consumption of herbicides and insecticides should drop slightly, mostly because of anticipated acreage cuts (due to the Federal acreage-reduction program) but also because of possibly reduced insect infestations due to the severe winter. In spite of low net farm incomes last year and poor prospects for this year, farmers will probably not cut back much on pesticide use to avoid risking substantial pest damage.

Supplies Up from Last Year

In response to a slowdown in consumption, basic pesticide manufacturers surveyed late last fall reported intentions to increase insecticide production (active ingredient quantities) by only 2 percent. However, this slight rise accompanies a 12-percent increase in carryover from 1981.

Despite a leveling off in domestic use, herbicide manufacturers project an 18-percent rise in production. Most of this increase will be directed toward export markets. Export opportunities appear to be greatest in the developing countries and the Soviet Union, which is trying to bolster agricultural production.

MARKET TRENDS:

Reduced Tillage on the Rise

Reduced tillage practices (minimum tillage and no-till) are gaining increasing farmer acceptance. These practices leave the soil surface undisturbed rather than plowing under weeds and residue from previous crops. Thus, they require more careful weed control than traditional land preparation. In addition to using pre-emergent herbicides—which prevent weeds from germinating—and in-season weed control, farmers practicing no-till must use chemicals to kill existing vegetation. New post-emergent herbicides have been developed to control annual and perennial weeds in cotton, soybean, and peanut fields. These herbicides cut costs by allowing selective weed control and lower application rates.

Pest-Control Practices Changing

During the 1970's, the insecticide industry developed synthetic pyrethroids to counter some reported resistance of cotton bollworms and budworms to traditional insecticides such as methyl parathion, EPN, and toxaphene. Synthetic pyrethroids have often proven more effective than traditional products. They are also less hazardous to handle and more benign to beneficial insects. While the pyrethroids are more expensive per pound than traditional insecticides, the lower application rates and fewer applications they require make them competitive with other products. Typically, they are used in combination with older chemicals.

Because of the increased cost of chemical pesticides and their potential hazards to health and the environment, interest in nonchemical pest controls has been growing. The integrated pest management programs being promoted by the Environmental Protection Agency (EPA) and private groups generally help to improve pest control and often result in lower chemical costs.

Pesticide Production and Inventories

Item	Fungicides	Herbicides	Insecticides	All pesticides
	Percent			
Projected 1982 Production (% of 1981)	103	118	102	111
Inventory carryover:				
For 1982 (% of production) ¹ . . .	14	30	41	29
Change from 1981	-24	-3	12	-1
Projected 1982 net supply (% of 1981)	99	106	105	105

¹ Inventories at the start of the 1981 and 1982 seasons are based on production in 1980.

Source: Based on a survey of 12 basic pesticide producers conducted in October-November, 1981.

The USDA has done much research and educational work on the program. Also, besides USDA's State Extension Service, farmers can now turn to private consultants, dealers, and cooperatives for scouting, consultation, and other services associated with pest management programs.

A few private firms as well as government agencies have developed biological agents as alternatives to chemical pesticides. Such agents include antijuvenile hormones designed to accelerate the insect's transformation from larva to pupa. This process kills the insects or severely impairs the insect's development. Researchers have also developed synthetic pheromones, the sex attractants insects secrete, for use in luring insects into traps—thus avoiding the need to apply pesticides to entire fields. In some cases, use of biological agents has been credited with cutting cotton insecticide costs in half. These attractants have not yet achieved widespread use, however.

EPA Regulations Being Revised

It now takes up to 10 years (or more) of testing and development at a cost up to \$25 million to bring a new pesticide on the market. Some proposed changes in pesticide regulations may help stimulate competition in the pesticide market and encourage the development of improved products. To help reduce registration costs, EPA is simplifying the standard-setting procedure, which applies to categories or clusters of pesticide products.

EPA is relaxing data requirements that often discourage manufacturers from registering pesticides designed to control local and other "minor use" infestations. To this end, EPA is proposing criteria that would exempt certain pesticide uses from fulfilling all the registration requirements for other pesticide uses. EPA is also advocating voluntary agreements with pesticide developers and examining the impact of regulations on manufacturers' production costs. [Bill Serletis (202) 447-2317 and Ted Eichers (202) 447-7340]



Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ERS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

U.S. Corn Industry. AER-479.
The Effects of Tax Policy on American Agriculture. AER-480.
Solar- and Wind-Powered Irrigation Systems. AER-482.
Selected Agricultural Statistics on Greece, 1965-77. SB-675.
Farmer-to-Consumer Direct Marketing, Selected States, 1979-80.

State Reports

To order publications issued by a State, write directly to the address shown. No copies are available from the Department of Agriculture.

Kansas Custom Rates 1981. Kansas Crop & Livestock Reporting Service, 444 S.E. Quincy, Rm. 290, Topeka Kansas 66683.
North Carolina Poultry Statistics. North Carolina Crop & Livestock Reporting Service, P.O. Box 27767, 1 West Edenton Street, Raleigh, N.C. 27611.
1980 Texas County Statistics. Texas Crop & Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

Microfiche

The following are available FOR SALE ONLY from National Technical Information Service, U.S. Department of Commerce, 5258 Port Royal Road, Springfield, VA. 22161.

The Economics of Agricultural Pest Control: An Annotated Bibliography, 1960-80. (BLA 14) 53 p. Accession No. PB 81 237 638, Paper \$8.00, Fiche \$3.50.
Inputs Used in U.S. Farm Production: A Bibliography of Selected Economic Studies, 1950-80. (BLA 19) 162 p. Accession No. PB 81 200 321, Paper \$14.00, Fiche \$3.50.
Grain Dust: Problems and Utilization. (ESS 6) 17 p. Accession No. PB 81 190 274, Paper \$5.00, Fiche, \$3.50.
World Trade in Major U.S. Crops: A Market Share Analysis. (ESS 7) 40 p. Accession No PB 81 197 807, Paper \$6.50, Fiche \$3.50.
Cattle Reports: A Handbook on Surveying and Estimating Procedures. (ESS 13) 59 p. Accession No. PB 81 238 859, Paper \$8.00, Fiche \$3.50.
Japan's Rice Policy. (FAER 164) 26 p. Accession No. PB 81 235 004, Paper \$6.50, Fiche \$3.50.
Changes in the International Grain Trade in the 1980's. (FAER 167) 35 p. Accession No. PB 81 235 111, Paper \$6.50, Fiche \$3.50.
Indices of Agricultural Production in Africa and the Near East, 1956-75. (SB 556) 101 p. Accession No. PB 81 221 590, Paper \$11.00, Fiche \$3.50.



Transportation

A surplus of rail transportation capacity is likely throughout 1982. Based on past performance, railroads could increase grain loadings 25 percent from 1981 levels. Moreover, the fleet of jumbo covered-hopper cars (100-ton capacity or more) increased 6 percent to 231,000 during 1981. Unless grain marketings rise from current estimates, as many as 40,000 cars could remain idle for much of 1982.

The growth of grain traffic on inland waterways slowed last year. Average weekly loadings increased 4 percent, in contrast to an 18-percent gain between 1979 and 1980. Although spring floods are a real possibility and certain locks will become congested, barge capacity is expected to meet or exceed use throughout the year.

Truck capacity for fresh produce during 1981 met or exceeded use. For one thing, total production of fresh fruits and vegetables fell about 9 percent from 1980. Meanwhile, the refrigerated truck fleet, which had increased rapidly during the 1970's, remained constant during 1980 and 1981. Also, intercity truck tonnage (a measure of the volume of manufactured goods, including processed foods) dropped nearly 12 percent. Further evidence of a truck surplus can be seen in the failure of truck rates for fresh produce to keep pace with increased costs. Costs rose about 7 percent, while truck rates for produce remained around 1980 levels.

Confronted with reduced demand, many regulated truckers sought out loads of agricultural commodities, which are exempt from economic regulation. In addition, to take advantage of the more competitive environment created by the Motor Carrier Act of 1980, regulated truckers offered substantial discounts in new service territories. Many also offered volume discounts of 20 percent or more.

If the general economy turns up during 1982 as expected, many trucks could move back to the regulated sector. In that case, rates are expected to rise. Should business activity not increase, rising costs of services without increases in truck rates for produce could force more truck owners and operators out of the industry. In either case, agriculture could lose some trucking service.

Major Service Interruptions Unlikely

Spring flooding will likely slow barge shipments of grain, as the melting of snow and ice hinders navigation on the Mississippi River. No other interruptions, however, seem likely at this time. Both railroad and trucking unions appear to have successfully negotiated contract agreements.

Rail Developing Two-Level Rate Structure

The Bureau of Labor Statistics (BLS) indexes of rail rates indicate that rates for farm products, grain, and food products continued to increase more rapidly through 1981 than did the general rate of inflation. In 1981, rates for all farm products (including grain) averaged 17 percent above the previous year, and those for grain and food products rose 15 and 16 percent, respectively. In general, rates for farm products rose more rapidly than they had during the 3 years before.

Rail rates for food products and grain, however, showed significantly slower increases. Deregulation of fresh fruit and vegetable shipments apparently moderated rate gains for these commodities. Grains' reduced rate of increase can be attributed to contract rates that offered relatively low charges for large-volume shipments and a number of sharp, short-term reductions offered in response to a substantial surplus of covered-hopper cars.

A two-level structure of rail rates for grain has developed. Frequent, large-volume shipments benefit from relatively low contract rates. Small shipments and those to remote points require higher rates. However, during 1981 shippers in the latter category were offered—and probably will continue to be offered—short-term discounts (30 to 90 days) when railcar surpluses exist. Shippers with contracts also were eligible for discounts. However, most contracts require minimum volumes. Under usual market conditions, shippers would take advantage of the relatively stable contract rates rather than the limited-duration discounts.

Assuming a total grain use of 300 million metric tons (including 185 million of corn) during 1982, railroad grain rates will probably continue upward at approximately the same pace as last year. The two-level nature of grain rates is likely, however, to become more apparent. Thus, large-volume movements (a majority of which are shipments for export) will have substantially lower rates than shipments to relatively low-volume domestic points. As a result, transportation charges could become an increasingly important component of procurement costs for domestic livestock and poultry feed.

A two-level price structure is also developing in food transportation. At the end of 1981, 37 contracts for rail transportation were in effect. A majority of these cover bulk items such as sugar, flour, and cooking oil, but several apply to canned food. In February 1982, the Union Pacific Railroad Co. (UP) offered a 3-year contract for transcontinental shipments of frozen foodstuffs. Rates under the contract, while lower than for shorter hauls, are subject to escalation clauses, and minimum percentages of total shipments are required. The UP is also offering 20-percent volume discounts for produce shipments in five-car units.

Effective January 1, 1982, the Interstate Commerce Commission (ICC) approved a 4.7-percent rate increase for all shipments involving two or more rail carriers (certain recyclable commodities are excepted). Three additional quarterly increases will likely be permitted. Based on past experience, however, railroads will increase rates for food and farm products to less than permitted levels.

Rail Line Abandonment Status¹

State	Abandonment application filed	Abandonment application anticipated within 3 years	Abandonment under consideration	Total	Percent of 1980 State total
	Miles				
Illinois	409	259	71	739	7
Indiana	477	22	—	500	9
Iowa	178	212	3	393	6
Kansas	12	58	60	130	2
Kentucky	165	77	—	242	7
Michigan	206	247	66	518	10
Minnesota	—	327	275	602	9
Missouri	146	308	—	454	8
Montana	53	375	177	605	13
Nebraska	33	249	199	480	9
North Dakota	176	390	808	1,373	27
Ohio	122	328	193	643	10
South Dakota	593	113	16	721	22
Wisconsin	—	231	31	262	5
Total	2,569	3,195	1,898	7,611	9

¹ As of January 1982.

Rail Line Abandonments Continue

As part of a continuing restructuring process, significant rail line abandonments are expected in 14 grain-producing States. Applications for abandonment have been filed for more than 2,500 miles of track. Of these, the ICC has granted permission to abandon nearly 890 miles. Within the next 3 years, abandonment applications covering about 3,200 additional miles are anticipated. This excludes the almost 2,000 more miles that are currently under consideration for abandonment. Michigan, Montana, North Dakota, and Ohio are likely to be the most severely affected.

In addition, Conrail has recently been permitted to abandon 65 miles of line in Ohio and Pennsylvania. Under provisions of the Northeast Rail Service Act of 1981, Conrail is allowed to abandon track within 90 days after filing. Substantially more abandonments are anticipated in the Northeast, where Conrail is the dominant carrier. These developments could reduce the competitive posture of livestock and poultry feeders in that area of the country.

Trucks Still Dominate Produce Marketing

As a result of sharp reductions in fruit output in 1981, total shipments of fresh fruits and vegetables declined 5 percent from a year earlier. Piggyback, or trailer-on-flat-car (TOFC), shipments doubled in volume to 3 percent of fresh produce shipments. This mode is not subject to ICC regulation and has attracted about equal volumes from competing rail and truck carriers.

Despite the pricing freedom gained from deregulation of rail shipments of fresh produce, railroads' share of produce traffic has continued to decline and is not expected to increase substantially in the near future. The number of refrigerated cars also continued to decline through 1981. At yearend, about 59,000 were available, down 6 percent from a year earlier.

TOFC shipments are likely to increase in volume during 1982. However, the increase will still be relatively small, because TOFC shipments offer no cost advantages over truck or rail for shipments of less than 1,000 miles. [T.Q. Hutchinson (202) 447-8487]



Food Dilemma in Sub-Saharan Africa

This article is based on *Food Problems and Prospects in Sub-Saharan Africa. The Decade of the 1980's*, prepared by the International Economics Division of ERS. Foreign Agricultural Economic Report No. 166. 1981. 293pp.

Sub-Saharan Africa is the only region of the world where per-capita food production declined over the past two decades. While a few countries have improved since the early 1960's, most have shown moderate to severe declines. In 1981, preliminary figures show that per-capita food production in Angola, Ethiopia, Ghana, Guinea, Madagascar, Mali, Mozambique, Niger, Nigeria, Senegal, Sierra Leone, Sudan, Togo, Uganda, Upper Volta, and Zaire was less than 90 percent of the 1969-71 average.

Declining per-capita food production exacts a high price in both human and economic terms. The human cost is inadequate nutrition and, sometimes, large-scale starvation. In most sub-Saharan countries, per-capita calorie intake falls below minimal nutritional standards even in "normal" years. Even if total available food supplies were distributed equally and efficiently, they would be insufficient to provide everyone with an adequate diet.

In the 18 countries where per-capita calorie availability is less than 90 percent of minimal requirements (as set by the United Nations' Food and Agricultural Organization), serious nutritional problems are pervasive. Under these conditions, bad weather or political disruption can create major food crises. Two years of drought, coupled with refugee flows, led to starvation in several East African countries in 1980-81, despite an increase in outside food assistance.

Economic Toll: Rising Imports

The economic price of inadequate domestic food production is a rising import bill. During the 1960's, grain imports posed little financial hardship. While the volume of imports doubled, the cost rose by only 50 percent. Stable, low prices,

combined with concessional sales, made imports a cheap and relatively secure way of meeting growing urban demand for food. In the 1970's, however, the situation changed dramatically, with the cost of sub-Saharan Africa's cereal imports doubling between 1970 and 1978. Many countries experienced growing balance-of-payment problems as prices climbed for oil and manufactured imports as well as for food.

If per-capita production continues to decline during the 1980's, commercial and concessional import requirements will be higher in 1990.¹ If real per capita income and producer prices follow the 1973-79 pattern (characterized by high oil prices and rising inflation), by 1990 sub-Saharan Africa's commercial import demand for cereals will reach 21 million metric tons—over 18 million in West Africa alone. Inadequate purchasing power in other regions would leave a shortfall in food needs of 10.1 million tons.

Why The Problem?

Why is sub-Saharan Africa's food situation so precarious? Although African population growth is rapid, this growth is not the main reason for declining per-capita food production. Much of the problem lies with supply. Aggregate food production has grown very slowly—less than 2 percent a year, well below the growth rate for Asia or Latin America. And all of this growth comes from expansion of cultivated land, as yields have been stagnant or declining. African cereal yields are less than half those in Asia, while yields for pulses, roots, and tubers are about two-thirds Asian yields.

Better Production Methods Needed...

Most food is produced by subsistence cultivators working small farms with few commercial inputs. Fertilizer use, water control and mechanization lag behind Asia and Latin America. Basic foodstuffs are produced largely by human labor using simple hand tools, because disease, as well as cultural and economic conditions, bar the use of draft animals in many areas.

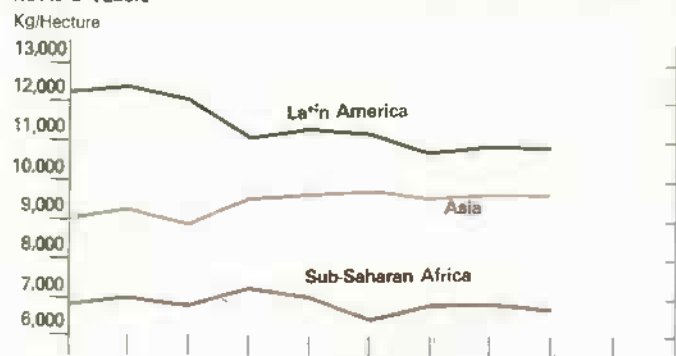
The natural environment is another hindrance to productivity. Many tropical soils are delicate, losing both organic matter and nutrients when exposed directly to the elements. Traditional cultivation practices, such as intercropping and broadcast sowing, were sound adaptations to the natural environment, as were the complex rotation and fallowing used in the region. Nevertheless, these methods are beginning to reach their limits in many areas. If African food production is to show sustainable increases, it will be necessary to move to more intensive cultivation—with higher yields—that does not severely compromise the long-term productivity of the land.

Making this transition will require new research. There has been no African "green revolution" like that in Asia. Except for corn, higher yielding varieties of African food crops have not yet been developed. In addition, because labor is often scarce during peak periods, low-cost mechani-

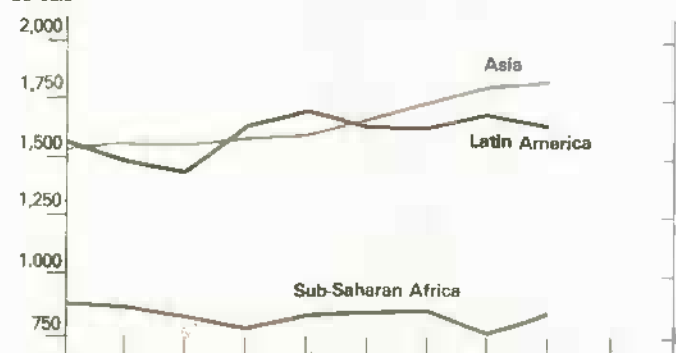
¹The Economic Research Service made projections of 1990 import requirements for five regions in sub-Saharan Africa—Western, Eastern, Central, Southern, and the Sahel. An econometric model was used to project supply and demand for wheat, rice, corn, millet, sorghum, roots, tubers, and plantains. Import demand is domestic demand minus domestic supply. A commodity's demand is a function of total income and price. A commodity's supply is a function of production (itself a function of the historical cropping pattern, producer price, and risk times yield). Unmet food needs are the difference between cereals needed to supply 2300 calories per person per day and the demand for food.

Sub-Saharan Crop Yields Well Below Other Developing Regions

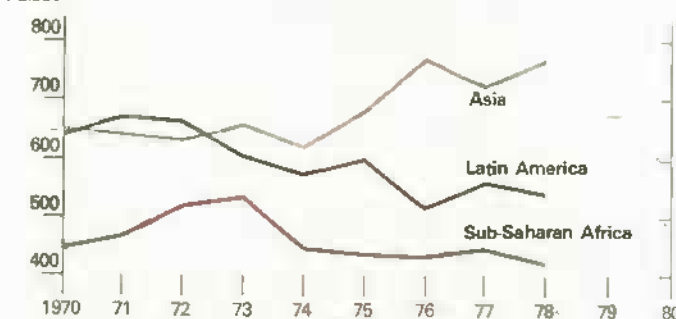
Roots & Tubers



Cereals



Pulses



Source: Latin America and Asia-FAO production yearbook.
Sub-Saharan Africa-ERS estimates.

cal technology—capable of breaking labor bottlenecks—will be necessary.

...As Well As Policy Reforms

Production problems alone cannot account for the difficult food situation facing sub-Saharan Africa. Most governments have policies to directly influence food production, consumption, distribution, and trade. Direct price controls are commonly used to maintain consumer prices below the free market level. While these policies succeed in keeping retail prices low, they reduce the farmer's incentive to produce. Despite some signs that these policies are changing, it will be hard for governments facing serious budget deficits to sustain the increases in real (inflation-adjusted) farm prices needed to help farmers finance productivity improvements.

Many governments also try to maintain lower retail prices by intervening directly in food marketing. Some governments have a legal monopoly on marketing some staple foods, although they rarely achieve complete control of the

market. Keeping retail prices low requires government marketing agencies to pay farmers low prices in order to avoid large drains on the budget. Farmers are often reluctant to sell at these low official prices, especially when payment may be late or incomplete. The result is shortages, black markets, and hoarding, with consumers forced to pay high "black market" prices for scarce commodities and a favored few enjoying subsidized consumption at very low prices. Farmers, seeing little profit in growing food crops in these government-controlled markets, grow just enough to feed their families, grow crops for export sales, or migrate to the cities.

Government policies also affect the distribution of modern inputs. Fertilizer is subsidized and delivered through government agencies throughout the Sahel and in several countries in Western, Eastern, and Southern Africa. In general, however, subsidized inputs reach only a fraction of the countries' farmers. Uncertainties about availability, combined with delivery delays, further limit their impact.

Pricing and procurement policies that are inconsistent with other government programs can be very costly. For example, policies designed to increase domestic production can be easily undermined by food import policies, especially when profits from importing are higher than those from marketing domestic crops. Sometimes imports continue despite local surpluses in other parts of the country.

Weather causes additional policy complications. Because there is little irrigation, crop yields can vary significantly. Higher producer prices, combined with exceptionally good weather, have produced domestic surpluses in several countries. But without adequate storage facilities, these countries must often abandon much of the crop, or try to export it—frequently at a loss. Kenya, Tanzania, and Senegal all had this experience shortly before the onset of serious drought.

On the other hand, when weather is poor, sales to government agencies drop by more than the drop in production because farmers keep a larger share of the crop for their own consumption. Import requirements grow, often at the same time that prices are increasing. The solution to such dilemmas is better coordination among storage policies, producer prices, and trade policies.

Key to Change: Boosting Farmers' Incomes

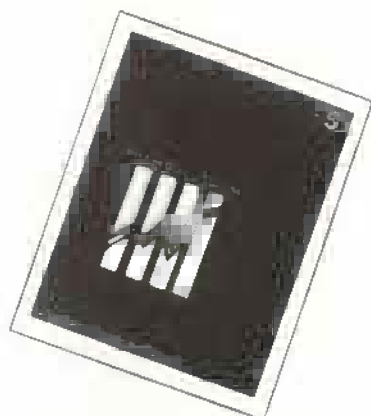
Over the next few years, reforming government policies toward food production, marketing, and trade offers the best hope for meeting food needs in sub-Saharan Africa. Many countries—especially those that cannot afford to import enough to meet growing food needs—are attempting to increase their own food production. Over the long run, however, what's necessary is to raise farmers' living standards, both to increase food production and to stimulate economic growth.

Achieving sustainable improvements requires basic investments in education and research. Changes in policies and programs will be self-limiting unless they are backed up by broadly based, effective local institutions. Such institutions must be the main vehicles for raising the presently low status of agriculture, educating farmers, and finding the answers to basic production questions. These investments do not have a high short-term payoff, but it will be difficult to reverse the trends of the past two decades without them.

[Cheryl Christensen (202) 447-8054]

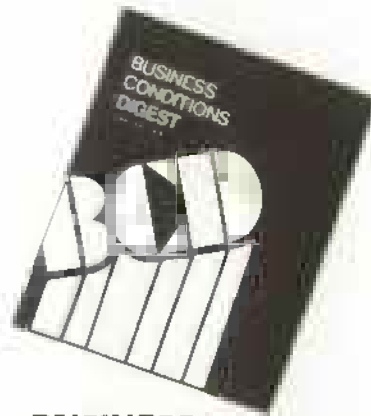
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Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1980		1981					1982	
	IV	Annual	I	II	III	IV	Annual	I F	II F
Prices received by farmers (1977=100)									
Livestock and products	144	134	144	142	137	129	138	132	135
Crops	149	144	143	143	146	137	142	140	144
Crops	139	125	144	141	129	121	134	123	125
Prices paid by farmers, (1977=100)									
prod. items	143	138	146	149	149	149	148	149	153
Commodities and services, Int., taxes, and wages	143	138	149	151	150	149	150	155	158
Cash receipts¹ (\$ bil.)									
Livestock (\$ bil.)	142	136	143	143	144	141	143	—	—
Crops (\$ bil.)	70	67	70	69	69	67	69	—	—
Crops (\$ bil.)	71	69	73	74	74	74	74	—	—
Market basket (1967=100)									
Retail cost	249.2	238.8	253.9	255.3	260.3	258.9	257.1	264	269
Farm value	255.7	240.9	249.2	246.5	254.5	242.2	248.1	246	246
Spread	245.3	237.6	256.7	260.4	263.6	268.8	262.4	275	282
Farm value/retail cost (%)	38	37	36	36	36	35	36	34	34
Retail prices (1967=100)									
Food	264.4	254.6	270.5	273.0	277.2	277.5	274.6	283	288
At home	262.0	251.5	267.2	268.4	272.5	271.6	269.9	277	282
Away-from home	275.4	267.0	283.9	289.4	293.6	297.0	291.0	302	308
Agricultural exports (\$ bil.)²	11.7	40.5	12.6	10.5	9.0	11.3	43.6	10.5	10.0
Agricultural imports (\$ bil.)²	4.5	17.3	4.7	4.2	3.8	4.1	17.2	4.0	4.0
Livestock and products									
Total livestock and products (1974=100)	110.9	109.6	109.9	113.2	111.8	113.3	112.1	109.7	112.4
Beef (mil. lb.)	5,586	21,470	5,553	5,428	5,532	5,669	22,183	5,625	5,275
Pork (mil. lb.)	4,251	16,431	4,073	3,879	3,608	4,156	15,715	3,700	3,575
Veal (mil. lb.)	104	379	100	94	104	115	414	105	95
Lamb and mutton (mil. lb.)	81	310	85	77	79	88	328	90	80
Red meats (mil. lb.)	10,022	38,590	9,811	9,478	9,323	9,772	38,384	9,520	9,025
Broilers (mil. lb.)	2,685	11,089	2,826	3,084	3,063	2,865	11,838	2,880	3,120
Turkeys (mil. lb.)	701	2,303	379	534	752	751	2,416	375	525
Total meats and poultry (mil. lb.)	13,408	51,982	13,018	13,100	13,150	13,197	52,465	12,775	12,670
Eggs (mil. dz.)	1,483	5,806	1,450	1,429	1,438	1,485	5,803	1,440	1,415
Milk (bil. lb.)	31.0	128.5	32.4	35.1	33.1	32.0	132.6	33.2	36.3
Choice steers, Omaha (\$/cwt.)	65.51	67.04	61.99	66.68	66.53	60.17	63.84	62-64	64-67
Barrows and gilts, 7 markets (\$/cwt.)	46.44	40.04	41.13	43.63	50.42	42.63	44.45	46-48	47-50
Broilers-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	49.9	46.8	49.3	46.7	47.0	42.1	46.3	43-45	45-47
Turkeys-wholesale, 9-city weighted avg., dressed (cts./lb.)	73.0	63.6	61.3	63.6	62.7	55.1	60.7	55-57	56-58
Eggs, N.Y. Gr. A large, (cts./dz.)	76.9	66.6	72.6	69.1	73.3	77.8	73.2	77-79	73-75
Milk, all at farm (\$/cwt.)	13.93	13.00	13.97	13.50	13.53	14.00	13.75	13.85-14.00	13.25-13.60
Crop prices at the farm³									
Wheat (\$/bu.)	4.24	3.91	4.16	3.91	3.63	3.81	3.65-3.75	—	—
Corn (\$/bu.)	3.09	3.11	3.22	3.22	2.85	2.39	2.40-2.55	—	—
Soybeans (\$/bu.)	7.89	7.57	7.63	7.35	6.68	6.03	5.75-6.75	—	—
Upland cotton (cts./lb.)	77.9	74.4	73.1	72.1	64.5	57.9	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast.

Farm Income

Cash receipts from farming

	1980		1981										
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
	\$ Mil.												
Farm marketings and CCC loans¹	14,273	13,201	13,712	9,601	10,345	8,647	8,944	10,428	11,556	11,027	12,743	17,070	15,340
Livestock and products	5,723	5,705	6,298	5,428	5,940	5,494	5,644	5,769	5,833	5,559	5,934	6,195	5,562
Meat animals	3,370	3,305	3,780	3,282	3,408	3,018	3,240	3,308	3,384	3,166	3,569	3,779	3,213
Dairy products	1,393	1,455	1,501	1,411	1,566	1,570	1,608	1,547	1,502	1,481	1,448	1,481	1,432
Poultry and eggs	871	851	940	663	879	812	698	811	846	813	816	836	828
Other	89	94	77	72	87	94	98	103	101	99	101	99	89
Crops	8,550	7,496	7,414	4,173	4,405	3,153	3,300	4,659	5,723	5,468	6,809	10,875	9,778
Food grains	915	932	859	624	528	507	378	1,614	1,985	1,392	1,515	1,477	877
Feed crops	2,107	2,021	2,767	1,023	1,087	218	594	970	1,133	1,106	1,284	2,295	2,899
Cotton (lint and seed)	1,150	850	554	437	165	6	4	5	3	210	155	788	1,190
Tobacco	275	538	255	81	7	34	9	0	232	562	695	345	340
Oil-bearing crops	1,705	1,209	1,600	684	1,071	802	657	458	702	619	1,062	3,621	1,984
Vegetables and melons	518	453	529	531	630	600	732	712	730	733	933	1,032	575
Fruits and tree nuts	829	699	407	371	378	340	411	547	524	458	597	710	778
Other	1,051	794	443	422	539	646	515	354	414	388	568	607	1,135
Government payments	213	293	239	174	106	101	59	49	55	97	108	71	72
Total cash receipts²	14,486	13,494	13,951	9,775	10,451	8,748	9,003	10,477	11,611	11,124	12,851	17,141	15,412

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1980		1981				
	1978	1979	1980	Nov	June	July	Aug	Sept	Oct	Nov
	1977=100									
All commodities	102	106	108	93	111	120	105	115	118	112
Livestock and products	100	100	103	94	106	112	98	105	100	97
Crop	104	113	114	93	117	128	114	125	129	121

Cash receipts¹ from farm marketings, by States, January-November

State	Livestock and Products		Crops ²		Total ²	
	1980	1981	1980	1981	1980	1981
	\$Mil.					
North Atlantic						
Maine	271.9	214.6	112.4	184.9	384.3	399.5
New Hampshire	65.8	89.6	24.0	23.8	89.8	93.4
Vermont	321.4	342.7	23.9	27.4	345.4	370.1
Massachusetts	113.8	125.8	166.1	143.9	279.9	269.7
Rhode Island	12.2	13.3	14.9	16.0	27.1	29.3
Connecticut	155.9	174.6	117.4	125.2	273.3	299.7
New York	1,554.8	1,664.9	638.9	764.4	2,193.7	2,429.3
New Jersey	111.3	124.7	293.1	304.4	404.4	429.1
Pennsylvania	1,759.5	1,952.2	673.4	672.5	2,433.0	2,624.6
North Central						
Ohio	1,234.4	1,353.8	2,184.0	1,836.5	3,418.4	3,190.3
Indiana	1,508.3	1,620.0	2,518.5	2,353.7	4,026.8	3,973.7
Illinois	2,110.4	2,272.4	5,192.0	5,024.9	7,302.4	7,297.3
Michigan	1,021.4	1,081.1	1,383.6	1,443.0	2,405.0	2,524.2
Wisconsin	3,419.7	3,516.5	837.3	940.3	4,257.0	4,456.8
Minnesota	3,018.2	3,213.5	2,577.1	2,800.2	5,595.3	6,013.6
Iowa	4,999.8	5,202.8	4,090.4	4,266.9	9,090.3	9,466.7
Missouri	1,971.4	2,040.2	1,770.2	1,808.9	3,741.6	3,849.1
North Dakota	706.7	680.9	1,449.7	1,819.1	2,156.4	2,500.0
South Dakota	1,684.9	1,666.0	693.8	761.4	2,378.7	2,427.4
Nebraska	3,169.4	3,214.4	2,192.8	2,250.5	5,362.2	5,464.9
Kansas	3,162.6	3,054.4	2,231.5	2,311.0	5,384.1	5,365.4
Southern						
Delaware	216.5	239.9	92.2	104.7	308.6	344.7
Maryland	563.7	624.5	270.4	320.7	834.1	945.2
Virginia	883.2	929.7	465.3	631.6	1,348.4	1,561.2
West Virginia	160.9	175.3	57.2	47.1	218.1	222.5
North Carolina	1,311.4	1,455.2	2,056.9	2,417.9	3,368.3	3,873.0
South Carolina	365.9	384.5	619.4	655.4	985.3	1,039.8
Georgia	1,362.9	1,505.8	1,081.5	1,406.9	2,444.5	2,912.6
Florida	878.3	890.7	2,500.9	2,718.8	3,379.2	3,609.5
Kentucky	1,241.5	1,245.7	913.6	945.7	2,155.3	2,191.5
Tennessee	805.8	845.7	714.9	761.6	1,520.7	1,607.3
Alabama	1,037.7	1,087.8	630.6	788.1	1,668.3	1,875.9
Mississippi	822.7	856.4	1,101.3	1,182.9	1,924.0	2,041.3
Arkansas	1,340.5	1,421.8	1,421.5	1,700.9	2,762.0	3,122.7
Louisiana	417.6	430.9	1,051.2	1,115.2	1,468.8	1,546.1
Oklahoma	2,011.9	1,997.2	990.3	1,010.8	3,002.1	3,008.0
Texas	4,764.5	4,756.9	3,302.5	4,137.3	8,067.0	8,894.2
Western						
Montana	674.4	633.8	573.1	772.0	1,247.5	1,405.8
Idaho	771.9	784.4	1,015.1	1,226.7	1,786.9	2,011.0
Wyoming	486.9	451.1	103.6	114.4	590.5	565.5
Colorado	2,040.6	2,016.0	817.3	974.6	2,857.8	2,990.6
New Mexico	851.1	734.9	233.4	280.5	1,084.5	1,015.4
Arizona	725.2	713.7	822.0	857.9	1,547.1	1,571.6
Utah	349.2	349.1	127.8	129.0	447.1	478.2
Nevada	140.0	130.6	66.0	69.5	206.0	200.1
Washington	770.6	863.6	1,650.3	1,854.6	2,420.9	2,718.2
Oregon	487.2	511.0	969.9	1,057.7	1,457.1	1,568.6
California	3,776.9	3,944.8	8,361.2	8,263.3	12,138.1	12,208.0
Alaska	3.7	4.1	6.4	6.4	10.1	10.5
Hawaii	74.3	70.4	327.9	327.7	402.2	398.1
United States	61,700.8	63,656.6	61,529.1	65,758.8	123,229.9	129,414.5

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers; U.S. average

	Annual			1981					1982	
	1979	1980	1981	Feb	Sept	Oct	Nov	Dec	Jan	Feb
1977=100										
Prices Received										
All farm products	132	134	138	144	134	130	130	128	132	133
All crops	116	125	133	144	120	119	121	122	126	124
Food grains	147	165	166	179	156	159	161	158	157	154
Feed grains and hay	114	132	141	156	124	121	118	121	127	122
Feed grains	117	135	145	160	127	123	119	122	128	122
Cotton	96	118	111	117	96	103	99	85	82	82
Tobacco	118	125	140	133	149	144	146	151	152	152
Oil-bearing crops	103	102	110	121	96	93	92	92	93	91
Fruit	144	127	126	123	122	126	148	148	140	148
Fresh market ¹	151	129	129	127	126	130	157	152	143	153
Commercial vegetables	110	113	133	160	117	119	122	146	179	175
Fresh market	109	110	133	165	126	115	120	150	191	185
Potatoes ²	92	128	182	188	148	118	128	123	124	127
Livestock and products	147	144	142	144	146	140	138	133	137	142
Meat animals	166	156	149	150	155	146	141	134	140	148
Dairy products	124	135	142	144	142	144	144	144	143	143
Poultry and eggs	111	112	116	121	116	112	117	111	114	116
Prices paid										
Commodities and services,										
Interest, taxes, and wage rates	123	139	150	148	151	151	150	150	154	154
Production items	125	138	148	146	148	147	147	145	148	148
Feed	110	123	134	141	126	123	122	123	125	124
Feeder livestock	185	177	164	170	168	162	160	146	152	158
Seed	110	118	138	121	144	144	144	144	144	144
Fertilizer	108	134	144	136	147	144	144	143	143	143
Agricultural chemicals	96	102	111	104	113	113	113	113	113	113
Fuels & energy	137	188	213	212	214	214	214	214	215	213
Farm & motor supplies	115	134	147	144	148	149	150	150	151	151
Autos & trucks	117	123	143	135	145	146	156	156	156	156
Tractors & self-propelled machinery	122	136	152	142	159	159	159	159	159	159
Other machinery	119	132	146	137	152	152	152	152	152	152
Building & fencing	118	128	134	132	135	135	135	135	135	135
Farm services & cash rent	117	129	137	137	142	142	137	137	147	147
Interest payable per acre on farm real estate debt	144	179	195	195	195	195	195	195	218	216
Taxes on farm real estate	107	114	124	124	119	119	124	124	132	132
Wage rates (seasonally adjusted)	117	127	136	140	135	135	135	135	148	148
Production items, interest, taxes, and wage rates	125	140	150	149	150	149	149	148	153	153
Prices received (1910-14=100)	602	614	631	658	609	594	593	584	601	609
Prices paid, etc. (Parity index) (1910-14=100)	850	955	1,013	1,017	1,042	1,039	1,037	1,031	1,058	1,060
Parity ratio ³	71	65	61	65	59	57	57	57	57	57

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1981					1982	
	1979	1980	1981	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Crops										
All wheat (\$/bu.)	3.51	3.88	3.88	4.17	3.65	3.77	3.85	3.80	3.78	3.67
Rice, rough (\$/cwt.)	9.05	11.07	11.90	13.00	10.90	10.20	9.86	9.34	9.34	9.51
Corn (\$/bu.)	2.36	2.70	2.92	3.22	2.55	2.45	2.34	2.39	2.54	2.40
Sorghum (\$/cwt.)	3.91	4.67	4.72	5.33	4.07	3.90	3.87	3.95	4.09	4.03
All hay, baled (\$/ton)	56.30	67.00	68.10	72.50	62.90	64.00	64.10	65.90	68.70	70.40
Soybeans (\$/bu.)	6.86	6.75	6.92	7.50	6.21	6.06	6.03	6.00	6.13	5.96
Cotton, Upland (cts./lb.)	58.0	69.0	66.9	70.8	58.0	62.3	60.1	51.2	49.9	49.7
Potatoes (\$/cwt.)	3.16	4.78	7.02	7.51	6.00	4.38	4.51	4.56	4.63	4.78
Dry edible beans (\$/cwt.)	19.60	24.80	28.60	28.30	22.90	23.50	23.90	22.10	20.60	20.50
Apples for fresh use (cts./lb.)	14.2	17.1	13.6	12.4	17.0	16.8	17.0	17.1	15.6	17.5
Pears for fresh use (\$/ton)	276	325	263	257	187	218	290	281	260	304
Oranges, all uses (\$/box) ¹	3.34	3.26	3.75	3.89	2.78	2.37	4.50	4.26	4.48	4.76
Grapefruit, all uses (\$/box) ¹	2.97	2.73	3.44	3.21	2.96	4.18	2.65	2.36	2.27	2.75
Livestock										
Beef cattle (\$/cwt.)	66.30	62.50	60.80	59.40	58.80	55.70	54.50	52.00	53.60	55.60
Calves (\$/cwt.)	89.70	77.50	64.00	70.60	61.40	59.00	59.40	57.70	57.10	59.50
Hogs (\$/cwt.)	41.30	38.90	43.40	41.30	48.60	45.00	41.50	39.00	43.40	48.20
Lambs (\$/cwt.)	67.10	63.50	54.90	55.40	50.40	50.60	47.40	47.50	50.40	52.30
All milk, sold to plants (\$/cwt.)	12.00	13.10	13.80	14.00	13.80	14.00	14.00	14.00	13.90	13.90
Milk, manuf. grade (\$/cwt.)	11.10	12.00	12.75	12.90	12.60	12.90	13.00	13.00	13.00	12.90
Broilers (cts./lb.)	25.9	27.7	28.1	30.4	26.8	25.9	25.2	24.6	27.1	27.0
Eggs (cts./doz.) ²	58.1	56.7	62.3	62.6	64.6	63.8	69.5	65.6	63.5	66.3
Turkeys (cts./lb.)	41.9	40.0	38.4	38.9	38.3	33.3	35.6	32.8	32.6	33.0
Wool (cts./lb.) ³	86.3	88.1	94.7	92.8	89.0	89.6	90.8	85.3	80.4	80.4

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = Preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual			1981					1982	
	1981	Jan	June	July	Aug	Sept	Oct	Nov	Dec	Jan
1967=100										
Consumer price index, all items	272.4	260.5	271.3	274.4	276.5	279.3	279.9	280.7	281.5	282.5
Consumer price index, less food	270.6	257.6	269.6	272.7	274.9	278.2	279.0	280.1	280.8	281.4
All food	274.6	268.6	273.6	276.2	277.4	278.0	277.6	277.1	277.8	281.0
Food away from home	291.0	280.9	290.6	292.4	293.7	294.8	296.2	297.2	297.7	299.8
Food at home	269.9	265.6	268.7	271.6	272.8	273.2	272.1	271.0	271.7	275.3
Meats ¹	257.8	259.7	254.2	259.6	262.0	263.4	262.5	259.6	258.7	257.8
Beef and veal	272.6	275.3	271.1	274.5	275.9	277.1	274.9	271.5	270.5	269.4
Pork	228.6	228.2	221.2	231.5	235.3	238.1	238.6	235.6	234.3	234.7
Poultry	198.6	202.4	196.8	204.8	202.0	199.7	196.6	192.3	191.7	194.2
Fish	357.7	358.0	352.1	356.9	356.8	362.8	360.8	358.9	359.6	373.3
Eggs	183.8	190.2	172.1	174.2	177.6	188.8	185.9	194.7	198.0	189.4
Dairy products ²	243.6	240.1	243.8	244.2	243.8	244.3	244.6	245.0	245.5	245.8
Fats and oils ³	267.1	260.4	269.6	269.0	269.2	268.5	268.5	262.2	261.1	261.6
Fruits and vegetables	276.3	257.6	278.1	284.4	286.1	281.6	275.2	272.0	276.4	294.7
Fresh	282.9	263.9	285.2	294.0	295.8	286.9	273.5	267.8	274.9	308.0
Processed	271.5	253.0	272.8	276.4	277.9	278.3	279.4	279.2	280.6	282.7
Cereals and bakery products	271.1	262.9	271.5	272.4	272.6	274.3	275.0	276.3	277.7	279.8
Sugar and sweets	368.3	385.4	361.3	360.0	361.3	361.4	359.9	359.1	359.3	361.6
Beverages, nonalcoholic	412.6	409.7	412.8	410.3	413.1	413.7	414.8	413.4	412.5	418.7
Apparel commodities less footwear	174.0	168.9	172.6	171.2	174.3	178.0	178.4	177.9	176.6	172.8
Footwear	200.4	194.9	200.4	199.0	200.0	202.4	204.2	205.4	205.7	202.8
Tobacco products	218.9	211.9	219.1	219.3	219.9	221.7	225.3	226.2	226.8	227.1
Beverages, alcoholic	199.5	193.7	199.8	200.5	201.4	202.5	201.4	202.3	202.7	204.0

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1981						1982
	1979	1980	1981 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
	1967=100									
Finished goods¹	216.1	247.0	269.8	260.9	271.5	271.5	274.0	274.5	275.3	277.4
Consumer foods	226.3	239.5	253.5	262.5	256.3	256.2	253.7	252.7	253.0	256.4
Fresh fruit	232.6	237.6	228.4	205.3	222.2	239.7	237.9	250.8	264.4	241.6
Fresh and dried vegetables	201.0	219.0	278.0	282.5	267.1	242.7	235.5	234.0	270.8	305.5
Eggs	176.5	171.0	187.1	185.7	180.7	193.2	193.8	209.7	195.5	187.0
Bakery products	221.7	247.8	268.4	262.3	270.2	272.6	272.8	273.5	274.2	275.0
Meats	240.6	235.9	239.0	240.5	249.2	250.0	242.3	233.5	229.7	237.4
Beef and veal	252.2	260.2	246.9	252.9	252.2	264.1	243.1	233.5	231.8	237.1
Pork	205.0	196.7	216.1	214.7	234.7	236.4	230.7	221.1	211.1	228.5
Poultry	188.6	193.3	193.3	203.2	202.6	190.1	176.5	174.1	167.8	170.6
Fish	383.8	370.9	377.9	372.9	366.8	362.2	375.6	379.1	383.4	400.0
Dairy products	211.2	230.6	245.7	244.7	245.3	245.5	247.4	246.9	247.2	247.7
Processed fruits and vegetables	221.9	228.7	261.1	238.4	267.3	270.0	271.3	270.1	271.4	272.8
Refined sugar ²	116.3	214.4	162.6	230.2	153.3	137.8	139.4	141.7	142.3	152.8
Vegetable oil and products	223.5	233.2	238.2	234.6	237.6	237.2	238.0	237.8	237.5	236.5
Consumer finished goods less foods	208.2	250.8	276.3	265.1	277.5	277.4	281.3	282.0	282.8	284.4
Beverages, alcoholic	161.4	175.8	189.3	182.3	191.7	191.0	191.1	192.6	192.4	194.2
Soft drinks	277.1	261.0	303.6	297.8	307.9	307.8	304.9	310.8	312.6	313.1
Apparel	160.4	172.4	185.5	179.9	187.8	188.0	187.9	188.7	189.1	190.1
Footwear	218.0	233.1	241.2	238.4	242.5	242.9	241.6	241.1	241.7	241.4
Tobacco products	217.7	245.7	268.3	254.8	268.8	274.5	278.0	278.0	277.9	277.9
Intermediate materials³	242.8	280.3	306.0	296.1	310.1	309.7	309.3	309.0	309.6	311.3
Materials for food manufacturing	223.6	264.4	260.9	280.7	261.0	254.6	252.7	249.2	247.3	252.9
Flour	172.0	187.6	191.8	197.9	189.4	191.4	186.5	190.2	183.7	188.1
Refined sugar ⁴	119.3	212.9	173.5	236.6	161.9	140.6	147.9	145.4	148.3	159.9
Crude vegetable oils	243.7	202.8	185.4	199.8	185.9	178.6	176.7	172.1	167.0	164.5
Crude materials⁵	282.2	304.6	329.1	328.0	333.0	327.4	320.3	314.1	311.6	318.2
Foodstuffs and feedstuffs	247.2	259.2	257.4	270.7	261.8	253.4	245.6	238.3	233.7	242.5
Fruits and vegetables ⁶	299.0	238.6	267.0	258.7	258.1	252.8	247.9	253.2	279.8	288.3
Grains	214.8	239.0	248.4	277.7	242.7	227.0	227.6	226.5	213.6	225.2
Livestock	260.3	252.7	248.0	244.3	262.0	257.3	244.4	231.1	225.0	236.8
Poultry, live	194.3	202.1	201.2	213.1	210.3	196.7	185.7	175.0	171.4	186.8
Fibers, plant and animal	209.9	271.1	242.0	284.1	232.5	206.5	211.7	198.5	188.4	198.2
Milk	250.1	271.2	287.4	288.4	285.0	287.3	294.3	288.2	286.7	287.6
Oilseeds	245.5	249.2	277.6	316.7	289.7	273.2	228.9	219.9	219.9	219.6
Coffee, green	416.2	430.3	330.1	409.1	286.9	286.9	285.1	324.5	329.0	323.3
Tobacco, leaf	207.7	222.2	n.a.	234.3	254.7	262.5	n.a.	n.a.	265.6	267.2
Sugar, raw cane	209.8	413.0	272.7	416.8	253.9	211.7	219.3	223.7	230.1	246.9
All commodities	235.6	268.8	293.4	284.8	296.4	295.7	296.0	295.5	295.9	298.2
Industrial commodities	236.5	274.8	304.1	291.5	307.2	307.4	308.8	309.1	310.1	311.7
All foods⁷	266.3	244.5	251.9	255.1	253.7	251.7	249.4	247.8	248.0	252.0
Farm products and processed foods and feeds	229.8	244.7	251.5	257.9	254.2	250.3	246.1	242.7	241.2	246.2
Farm products	241.4	249.4	254.9	264.5	257.9	251.1	243.3	237.4	234.5	242.1
Processed foods and feeds	222.5	241.2	248.7	253.3	251.2	248.9	246.6	244.7	244.0	247.4
Cereal and bakery products	210.3	236.0	255.5	251.5	257.7	258.5	256.6	257.5	255.9	256.6
Sugar and confectionery	214.7	322.5	276.8	344.6	267.3	248.8	250.0	249.0	250.9	260.8
Beverages	210.7	233.0	247.5	243.0	249.4	249.1	248.3	250.8	251.5	253.5

¹ Commodities ready for sale to ultimate consumer. ² Consumer size packages, Dec. 1977=100. ³ Commodities requiring further processing to become finished goods. ⁴ For use in food manufacturing. ⁵ Products entering market for the first time which have not been manufactured at that point. ⁶ Fresh and dried. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1981						1982
	1979	1980	1981 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Market basket¹:										
Retail cost (1967=100)	222.7	238.8	257.1	252.4	260.6	260.8	259.5	258.3	259.1	262.4
Farm value (1967=100)	228.1	240.9	248.1	250.3	253.7	250.7	246.2	241.9	237.8	238.2
Farm-retail spread (1967=100)	219.6	237.6	262.4	253.8	265.1	266.7	266.4	268.6	271.6	276.6
Farm value/retail cost (%)	37.9	37.3	35.7	36.7	36.0	35.6	35.3	34.5	34.0	33.6
Meat products:										
Retail cost (1967=100)	241.9	248.8	257.8	259.7	262.0	263.4	262.5	259.6	258.7	257.8
Farm value (1967=100)	234.6	234.0	235.5	233.4	249.2	249.5	241.9	224.9	221.2	216.3
Farm-retail spread (1967=100)	250.4	266.1	284.0	290.5	277.0	279.4	286.6	300.2	302.6	306.5
Farm value/retail cost (%)	52.3	50.7	49.3	48.5	51.3	51.1	49.7	46.7	46.1	45.2
Dairy products:										
Retail cost (1967=100)	207.0	227.4	243.6	240.1	243.8	244.3	244.6	245.0	245.5	245.8
Farm value (1967=100)	234.0	255.2	272.3	272.0	272.6	273.9	273.3	273.3	271.6	271.6
Farm-retail spread (1967=100)	183.6	203.2	218.6	212.3	218.7	218.4	219.6	220.3	222.7	223.3
Farm value/retail cost (%)	52.6	52.2	52.0	52.7	52.0	52.2	52.1	51.9	51.5	51.4
Poultry:										
Retail cost (1967=100)	181.5	190.8	198.6	202.4	202.0	199.7	196.6	192.3	191.7	194.2
Farm value (1967=100)	199.4	212.8	212.7	228.1	221.9	204.0	195.0	191.4	186.1	202.9
Farm-retail spread (1967=100)	164.2	169.5	184.9	177.5	182.8	195.6	198.1	193.2	197.2	185.9
Farm value/retail cost (%)	54.0	54.9	52.7	55.4	54.0	50.2	48.8	49.0	47.7	51.4
Eggs:										
Retail cost (1967=100)	172.8	169.7	183.8	190.2	177.6	188.8	185.9	194.7	198.0	189.4
Farm value (1967=100)	199.2	190.9	212.1	208.8	200.0	230.8	233.4	235.3	229.4	213.2
Farm-retail spread (1967=100)	134.6	139.1	142.8	163.3	145.3	128.1	131.6	136.0	152.6	154.8
Farm value/retail cost (%)	88.1	86.5	88.2	64.9	66.6	72.3	71.0	71.4	68.5	66.6
Cereal and bakery products:										
Retail cost (1967=100)	220.2	246.4	271.1	262.9	272.6	274.3	275.0	276.3	277.7	279.8
Farm value (1967=100)	189.9	221.4	217.7	237.7	210.3	204.2	203.0	207.2	200.9	201.9
Farm-retail spread (1967=100)	226.3	251.6	282.1	268.1	285.5	288.8	289.9	290.6	293.6	295.9
Farm value/retail cost (%)	14.8	15.4	13.8	15.5	13.2	12.8	12.6	12.9	12.4	12.4
Fresh fruits:										
Retail cost (1967=100)	258.5	271.8	286.1	250.4	321.4	320.0	301.7	284.4	275.9	284.4
Farm value (1967=100)	237.6	245.0	251.6	182.7	266.0	285.3	352.0	346.6	326.5	308.4
Farm-retail spread (1967=100)	267.9	283.8	301.6	280.8	346.3	335.6	279.1	256.5	353.2	273.8
Farm value/retail cost (%)	28.5	27.9	27.2	22.6	26.0	27.6	36.2	37.8	36.7	33.6
Fresh vegetables:										
Retail cost (1967=100)	222.5	242.2	287.4	281.1	285.5	268.6	256.8	260.1	279.8	337.3
Farm value (1967=100)	204.3	216.1	279.9	283.8	283.7	232.3	208.4	218.5	242.0	199.8
Farm-retail spread (1967=100)	231.1	254.5	290.9	279.8	286.4	285.7	279.5	279.7	297.2	347.3
Farm value/retail cost (%)	29.4	28.5	31.5	32.3	33.8	27.6	26.0	28.0	28.0	30.0
Processed fruits and vegetables:										
Retail cost (1967=100)	226.6	242.5	271.5	253.0	277.9	278.3	279.4	279.2	280.6	282.7
Farm value (1967=100)	235.3	243.8	288.7	259.4	298.3	298.5	293.5	294.8	291.2	277.4
Farm-retail spread (1967=100)	224.7	242.2	267.7	251.6	273.4	273.8	276.3	276.2	278.2	283.9
Farm value/retail cost (%)	18.8	18.2	19.3	18.6	19.5	19.4	19.0	19.0	18.8	21.0
Fats and oils:										
Retail cost (1967=100)	226.3	241.2	267.1	260.4	269.2	268.5	265.5	262.2	261.1	261.6
Farm value (1967=100)	278.0	250.3	261.3	293.3	239.0	225.4	221.3	224.6	213.0	211.8
Farm-retail spread (1967=100)	206.4	237.7	269.4	247.7	280.8	285.1	286.7	276.7	279.6	280.7
Farm value/retail cost (%)	34.1	28.8	27.2	31.3	24.7	23.3	22.9	23.8	22.3	22.5

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-retail price spreads

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Beef, Choice:										
Retail price ¹ (cts./lb.)	226.3	237.6	238.7	239.5	242.7	243.8	241.5	239.0	238.0	236.9
Net carcass value ² (cts.)	150.5	155.4	149.3	150.5	154.1	153.9	144.2	142.1	141.0	145.1
Net farm value ³ (cts.)	140.8	145.0	138.5	138.0	142.9	142.8	133.4	131.4	128.6	131.8
Farm-retail spread (cts.)	85.5	92.6	100.2	101.5	99.8	101.0	108.1	107.6	109.4	105.1
Carcass-retail spread ⁴ (cts.)	75.8	82.2	89.4	89.0	88.6	89.9	97.3	96.9	97.0	91.8
Farm-carcass spread ⁵ (cts.)	9.7	10.4	10.8	12.5	11.2	11.1	10.8	10.7	12.4	13.3
Farm value/retail price (%)	62	61	58	58	59	59	55	55	54	56
Pork:¹										
Retail price ¹ (cts./lb.)	144.1	139.4	152.4	151.5	158.1	159.5	160.4	158.2	157.4	158.2
Wholesale value ² (cts.)	100.4	98.0	106.7	104.1	113.6	112.7	107.9	105.3	103.5	107.0
Net farm value ³ (cts.)	66.6	63.2	70.3	65.6	80.4	78.3	71.8	66.8	63.5	72.6
Farm-retail spread (cts.)	77.5	67.2	82.1	85.9	77.7	81.2	88.6	91.4	93.9	85.6
Wholesale-retail spread ⁴ (cts.)	43.7	41.4	45.7	47.4	44.5	46.8	52.5	52.9	53.9	51.2
Farm-wholesale spread ⁵ (cts.)	33.8	34.8	36.4	38.5	33.2	34.4	36.1	38.5	40.0	34.4
Farm value/retail price (%)	46	45	46	43	51	49	45	42	40	46

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from 8 L.S. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Price indexes of food marketing costs¹

	Annual			1980		1981			
	1979	1980	1981	III	IV	I	II	III	IV
				1967=100					
Labor-hourly earnings and benefits	265.8	292.6	322.0	295.9	304.9	315.1	320.9	325.8	327.4
Processing	257.9	283.3	310.1	285.5	291.6	301.8	308.0	312.9	317.4
Wholesaling	260.4	283.5	309.8	284.9	293.7	302.6	309.9	312.7	318.1
Retailing	276.1	306.4	339.5	311.2	323.2	333.9	338.6	344.5	341.6
Packaging and containers	228.4	261.5	282.1	262.5	265.7	273.2	281.4	287.2	285.9
Paperboard boxes and containers	202.1	234.7	259.6	235.8	241.6	254.6	260.8	261.7	261.2
Metal cans	293.0	325.7	345.6	331.5	330.6	337.9	341.7	352.1	350.7
Paper bags and related products	209.7	238.1	259.0	242.3	244.1	251.4	258.7	262.1	263.9
Plastic films and bottles	216.9	258.9	266.0	254.4	250.7	251.4	263.2	279.1	270.5
Glass containers	261.1	292.6	328.4	293.1	309.4	312.4	331.7	334.8	334.8
Metal foil	175.6	184.4	202.8	181.8	190.1	192.9	203.6	205.8	208.8
Transportation services	251.3	297.9	346.0	308.4	315.7	335.6	340.3	351.1	357.0
Advertising	197.4	214.5	234.9	216.5	219.3	227.7	233.0	236.9	242.0
Fuel and power	418.2	564.0	668.9	580.1	586.6	634.7	677.6	684.1	681.5
Electric	270.3	320.1	367.2	333.0	335.3	348.3	361.1	380.2	379.1
Petroleum	574.6	850.8	1,056.3	873.3	877.7	1,005.0	1,096.1	1,072.4	1,051.7
Natural gas	544.8	733.7	828.1	757.4	769.5	779.5	822.6	840.8	869.4
Communications, water and sewage	148.7	153.9	168.7	155.1	157.6	161.4	164.3	171.5	177.7
Rent	216.4	235.4	255.0	237.5	243.5	245.9	252.3	258.5	262.8
Maintenance and repair	249.7	277.1	304.0	280.1	286.8	294.1	302.0	307.8	312.8
Business services	211.0	231.9	254.2	235.3	238.7	244.0	252.6	257.5	263.2
Supplies	224.3	258.8	284.0	261.4	266.4	274.5	284.1	287.1	289.1
Property taxes and insurance	246.9	270.6	294.0	274.2	279.8	286.5	292.5	296.7	300.8
Interest, short-term	213.5	240.3	288.8	188.8	284.0	284.1	300.4	317.3	253.3
Total marketing cost index	252.2	286.2	318.0	289.6	297.3	308.8	316.9	322.8	324.1

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. p = preliminary.

Note: Annual historical data on food marketing cost indexes may be found in *Food Consumption Prices and Expenditures*, Statistical Bulletin 672. ERS, USDA.

Livestock and Products

Dairy

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Milk production:										
Total milk (mil. lb.)	123,411	128,525	132,634	10,786	11,104	10,638	10,751	10,384	10,847	11,047
Milk per cow (lb.)	11,488	11,889	12,147	992	1,016	972	981	946	986	1,003
Number of milk cows (thou.)	10,743	10,810	10,919	10,870	10,827	10,948	10,963	10,982	10,998	11,015
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	10.91	11.88	12.57	12.64	12.47	12.46	12.52	12.52	12.56	12.55
Price of 16% dairy ration (\$/ton)	156	177	192	203	189	185	183	179	182	181
Milk-feed price ratio (lb.) ²	1.54	1.47	1.44	1.39	1.43	1.48	1.53	1.58	1.55	1.55
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	8,730	8,599	12,958	12,958	20,222	20,508	19,764	19,146	18,620	18,298
Commercial (mil. lb.)	4,475	5,419	5,752	5,752	5,949	5,831	5,206	5,494	5,135	5,318
Government (mil. lb.)	4,254	3,180	7,207	7,207	14,273	14,677	14,558	13,651	13,485	12,980
Imports, total equiv. (mil. lb.) ³	2,304	2,107	2,325	129	147	180	214	248	413	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,119	8,800	12,861	1,384.7	581.1	429.4	756.1	244.9	647.5	1,464.4
Butter:										
Production (mil. lb.)	984.6	1,145.3	1,236.8	121.3	85.0	86.3	100.5	94.2	108.9	n.a.
Stocks, beginning (mil. lb.)	206.9	177.8	304.6	304.6	515.5	515.6	490.0	470.0	451.1	429.2
Wholesale Price, Grade A Chd. (cts./lb.)	122.4	139.3	148.0	147.2	148.0	148.5	150.6	148.9	148.1	147.5
USDA net removals (mil. lb.)	81.6	257.0	351.5	51.6	12.1	6.9	23.5	3.0	17.9	55.1
Commercial disappearance (mil. lb.)	895.0	878.8	877.8	66.3	75.1	87.4	57.0	100.8	87.1	n.a.
American cheese:										
Production (mil. lb.)	2,189.9	2,374.6	2,584.8	212.2	202.8	188.2	198.4	191.3	217.0	n.a.
Stocks, beginning (mil. lb.)	378.8	406.6	591.5	591.5	881.6	903.5	886.4	872.4	866.1	899.1
Wholesale price, Wis. assembly pt. (cts./lb.)	123.8	133.0	139.4	139.3	139.3	139.7	140.9	141.3	139.4	138.3
USDA net removals (mil. lb.)	40.2	349.7	563.0	31.9	33.3	28.6	27.2	18.0	28.0	32.9
Commercial disappearance (mil. lb.)	2,113.1	2,023.9	2,090.8	182.8	185.1	203.1	179.5	184.7	175.8	n.a.
Other Cheese:										
Production (mil. lb.)	1,527.3	1,608.5	1,619.7	130.6	131.0	136.3	140.4	135.0	148.4	n.a.
Stocks, beginning (mil. lb.)	78.4	105.6	99.3	99.3	98.5	103.2	95.7	91.1	87.1	86.6
Commercial disappearance (mil. lb.)	1,730.4	1,827.9	1,860.0	141.7	142.3	164.2	166.6	163.3	195.9	n.a.
Nonfat dry milk:										
Production (mil. lb.)	908.7	1,160.7	1,305.8	92.0	114.8	94.5	90.4	88.2	109.6	n.a.
Stocks, beginning (mil. lb.)	585.1	485.2	586.8	586.8	742.6	806.1	809.2	835.9	861.5	889.7
Wholesale price, avg. manf. (cts./lb.)	80.0	88.7	93.9	93.8	93.8	93.9	94.4	94.2	94.0	n.a.
USDA net removals (mil. lb.)	255.3	634.3	651.3	55.4	70.0	54.0	65.3	45.0	64.3	71.1
Commercial disappearance (mil. lb.)	603.1	538.9	455.8	41.6	39.6	57.6	28.4	51.9	34.8	n.a.
Frozen dessert production (mil. gal.) ⁴	1,152.1	1,166.1	1,166.9	73.0	114.3	103.3	89.3	78.3	77.7	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert. n.a. = not available.

Wool

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
U.S. wool price, Boston ¹ (cts./lb.)	281	245	278	253	283	283	283	283	283	275
Imported wool price, Boston ² (cts./lb.)	257	265	292	299	292	290	289	294	295	293
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	106,533	113,423	127,701	10,154	10,072	11,438	9,364	9,364	11,173	n.a.
Carpet wool (thou. lb.)	10,513	10,020	10,538	750	982	1,146	1,115	681	943	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis. Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1978 reported as: Australian 64's combing, excluding. n.a. = not available.

Meat animals

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Cattle on feed (7-States):										
Number on feed (thou. head) ¹	9,226	8,454	7,863	7,863	8,451	6,289	6,596	7,113	7,328	7,201
Placed on feed (thou. head)	19,877	18,346	17,814	1,277	1,419	1,845	2,047	1,617	1,291	1,457
Marketings (thou. head)	18,793	17,448	17,168	1,525	1,526	1,432	1,445	1,295	1,330	1,522
Other disappearance (thou. head)	1,856	1,489	1,263	110	55	86	85	107	88	81
Beef steer-corn price ratio, Omaha (bu.) ²	28.7	25.1	22.2	19.2	23.8	26.0	25.2	25.0	25.0	24.6
Hog-corn price ratio, Omaha (bu.) ²	18.1	14.8	15.5	13.0	18.1	19.8	18.7	17.5	16.8	18.4
Commercial slaughter (thou. head)³										
Cattle	33,678	33,807	34,900	3,005	2,929	3,018	3,117	2,853	3,012	2,936
Steers	17,363	17,158	17,491	1,521	1,414	1,426	1,478	1,363	1,498	1,482
Heifers	9,725	9,593	10,018	828	912	935	943	829	813	806
Cows	5,923	6,332	6,619	598	533	582	629	602	643	595
Bulls and stags	639	724	771	58	70	74	67	59	59	53
Calves	2,824	2,588	2,796	238	225	280	271	247	284	251
Sheep and lambs	5,017	5,579	6,007	504	490	570	574	491	536	520
Hogs	89,099	96,074	91,547	8,131	8,855	7,612	8,143	7,602	8,279	7,163
Commercial production (mil. lb.)										
Beef	21,261	21,470	22,183	1,937	1,825	1,889	1,966	1,802	1,901	1,854
Veal	410	379	414	35	33	37	40	35	40	35
Lamb and mutton	284	310	328	29	25	30	31	27	30	29
Pork	15,270	16,431	15,715	1,416	1,158	1,288	1,391	1,320	1,445	1,234
\$ per cwt.										
Market prices										
Slaughter cattle:										
Choice steers, Omaha	67.75	66.96	63.84	63.08	66.37	65.37	61.45	59.81	59.24	60.75
Utility cows, Omaha	50.10	45.73	41.93	41.61	44.31	42.47	40.61	37.70	36.65	36.64
Choice vealers, S. St. Paul	91.41	75.53	77.16	77.38	77.25	77.30	71.75	68.88	67.50	69.00
Feeder cattle:										
Choice, Kansas City, 800-700 lb.	83.08	75.23	66.24	72.58	65.75	66.16	64.07	64.02	60.06	60.08
Slaughter hogs:										
Barrows and gilts, 7-markets ⁴	42.06	40.04	44.45	41.42	50.92	49.68	45.62	42.20	40.06	45.63
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.26	30.14	35.40	31.50	38.55	40.23	34.20	31.88	29.11	31.70
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	68.75	66.42	58.40	57.50	81.62	52.30	54.25	48.50	—	51.50
Ewes, Good, San Angelo	32.82	24.68	26.15	30.50	21.12	21.00	24.50	24.92	25.25	28.50
Feeder lambs:										
Choice, San Angelo	77.53	68.36	56.86	61.75	54.56	51.40	51.62	49.33	50.94	50.44
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	101.62	104.44	99.84	99.80	103.90	102.96	96.02	94.56	93.70	97.42
Canner and Cutter cow beef	100.23	92.45	84.06	86.25	88.93	84.82	78.98	76.04	73.99	74.80
Pork loins, 8-14 lb.	91.35	84.87	96.56	97.50	104.88	104.56	98.77	90.92	86.56	105.74
Pork bellies 12-14 lb.	48.00	43.78	52.29	50.40	59.54	60.07	55.43	56.68	51.35	62.22
Hams, skinned, 14-17 lb.	77.04	73.34	77.58	65.01	84.33	84.67	84.20	86.14	86.31	74.03
	Annual			1980		1981				1982
	1979	1980	1981	III	IV	I	II	III	IV	I
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	12,681	11,713	11,105	9,620	9,965	11,105	9,768	9,570	9,032	10,099
Placed on feed (thou. head)	26,061	24,572	23,734	6,359	7,366	5,154	5,953	5,673	6,899	—
Marketings (thou. head)	24,625	23,198	23,014	5,716	5,703	6,014	5,591	5,930	5,449	² 5,927
Other disappearance (thou. head)	2,404	1,982	1,726	298	523	502	560	281	383	—
Hogs and pigs (14-States):⁴										
Inventory (thou. head) ¹	51,130	57,130	54,780	54,840	55,160	54,780	50,105	51,205	52,160	50,800
Breeding (thou. head) ¹	8,102	8,055	7,682	7,853	7,422	7,682	7,219	7,105	7,056	6,709
Market (thou. head) ¹	43,268	49,075	47,098	46,987	47,738	47,098	42,886	44,100	45,104	44,091
Farrowings (thou. head)	12,317	11,851	10,920	2,838	2,917	2,434	3,075	2,735	2,676	³ 2,281
Pig crop (thou. head)	87,393	85,915	80,721	20,382	21,211	17,609	23,202	20,153	19,757	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ 220-240 lb. Beginning in January 230-240 lb. ⁴ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. *Classes estimated.

Poultry and eggs

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Eggs										
Farm production (mil.)	69,325	69,671	69,633	6,005	5,814	5,664	5,902	5,840	6,079	5,958
Average number of layers on farms (mil.)	289	288	287	293	283	285	288	291	292	290
Rate of lay (eggs per layer)	240	242	243	20.5	20.6	19.9	20.5	20.1	20.8	20.5
Cartoned price, New York, grade A large (cts./doz.) ¹	68.2	66.9	73.2	75.6	73.3	74.7	75.7	81.9	76.1	81.2
Price of laying feed (\$/ton)	168	188	210	218	207	203	197	194	196	193
Egg-feed price ratio (lb.) ²	5.9	6.0	6.0	5.9	5.7	6.4	6.5	7.2	6.7	6.6
Stocks, beginning of period:										
Shell (thou. cases)	38	38	31	31	41	21	20	21	38	35
Frozen (mil. lb.)	25.3	23.4	24.3	21.5	26.9	27.2	25.5	25.6	23.7	21.6
Replacement chicks hatched (mil.)	519	485	444	37.1	33.1	32.3	35.3	32.7	32.1	36.0
Broilers										
Federally inspected slaughter, certified (mil. lb.)	10,916	11,175	11,838	965.5	993.2	1,025.0	1,026.9	867.1	963.0	-
Wholesale price, 9-city, (cts./lb.)	44.4	46.8	46.3	49.5	47.3	43.6	43.7	42.5	40.1	45.2
Price of broiler grower feed (\$/ton)	189	207	227	237	225	222	214	213	210	211
Broiler-feed price ratio (lb.) ¹	2.8	2.7	2.6	2.5	2.6	2.4	2.4	2.4	2.3	2.6
Stocks, beginning of period (mil. lb.)	20.1	30.6	22.4	22.4	36.3	33.6	31.5	31.9	30.0	32.6
Average weekly placements of broiler chicks, 21 States (mil.)	76.8	77.9	77.1	79.4	³ 77.4	³ 76.8	72.6	72.4	78.0	79.3
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,182	2,263	2,416	140.0	257.9	270.6	290.1	275.9	204.1	-
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	68.1	63.6	60.7	59.4	61.6	59.5	55.4	57.3	51.7	53.6
Price of turkey grower feed (\$/ton)	202	223	249	257	250	248	239	233	229	224
Turkey-feed price ratio (lb.) ²	4.1	3.5	3.1	3.1	3.3	3.1	2.8	3.1	2.9	2.9
Stocks, beginning of period (mil. lb.)	175.1	240.0	198.0	118.0	400.8	466.0	532.1	528.1	305.1	238.4
Poults hatched (mil.)	180.0	188.7	186.7	15.6	12.7	8.2	9.6	9.8	11.9	13.4

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey live-weight. ³ 19 States as of July 11, 1981. ⁴ 21 States prior to July 11, 1981.

Crops and Products

Feed grains

	Marketing year ¹			1981						1982
	1978/79	1979/80	1980/81	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.54	2.81	3.38	3.56	3.09	2.72	2.61	2.60	2.52	2.63
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.00	4.65	5.36	5.79	4.58	4.16	4.14	4.14	4.28	4.44
Barley, feed, Minneapolis (\$/bu.)	1.80	2.16	2.60	2.81	2.35	2.21	2.26	2.31	2.06	2.20
Barley, malting, Minneapolis (\$/bu.) ²	2.38	2.87	3.64	3.75	3.15	3.05	3.02	3.07	2.92	3.00
Exports:										
Corn (mil. bu.)	2,133	2,433	2,355	209	141	151	195	176	174	n.a.
Feed grains (mil. metric tons) ³	60.2	71.3	69.4	6.2	4.7	4.9	6.1	5.1	5.4	n.a.
	Marketing year ¹			1980			1981			
	1978/79	1979/80	1980/81	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn:										
Stocks, beginning (mil. bu.)	1,111	1,304	1,618	4,657	3,670	1,618	5,859	3,987	2,774	1,034
Domestic use:										
Feed (mil. bu.)	4,324	4,519	4,139	682	979	1,523	1,100	885	831	1,520
Food, seed, ind. (mil. bu.)	620	675	735	119	272	152	140	133	311	170
Feed grains:³										
Stocks, beginning (mil. metric tons)	41.4	46.2	52.4	144.1	107.9	60.4	172.9	117.4	80.7	45.5
Domestic use:										
Feed (mil. metric tons)	135.9	138.7	123.0	20.3	30.4	45.5	32.1	20.8	24.8	49.1
Food, seed, ind. (mil. metric tons)	20.9	22.3	23.9	4.3	8.6	5.0	4.8	4.6	9.5	5.5

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better, plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p = preliminary. n.a. = not available.

Fats and oils

	Marketing year ¹			1981						1982
	1978/79	1979/80	1980/81	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	7.09	6.46	7.59	7.49	6.95	6.50	6.30	6.30	6.23	6.31
Crushings (mil. bu.)	1,017.8	1,123.0	1,020.5	92.2	74.6	75.4	104.5	97.6	102.5	—
Exports (mil. bu.)	753.0	875.0	724.3	71.7	41.8	50.9	100.8	103.7	73.6	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	27.2	24.3	22.5	23.0	20.8	19.4	19.7	19.9	18.9	18.4
Production (mil. lb.)	11,323.4	12,105.3	11,269.3	1,010.6	827.2	855.6	1,125.3	1,017.8	1,069.6	—
Domestic disappearance (mil. lb.)	8,941.7	8,980.7	9,122.6	730.2	767.0	795.7	884.0	776.9	752.3	—
Exports (mil. lb.)	2,334.0	2,690.0	1,626.7	118.1	301.4	106.9	187.2	146.8	184.2	—
Stocks, beginning (mil. lb.)	729.0	776.0	1,210.0	1,737.8	2,024.4	1,783.1	1,736.1	1,790.2	1,884.4	2,017.5
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	190.06	181.91	218.18	223.5	202.2	190.0	180.8	178.4	187.5	191.0
Production (thou. ton)	24,354.4	27,105.1	24,316.7	2,207.8	1,787.8	1,820.6	2,501.8	2,325.8	2,450.8	—
Domestic disappearance (thou. ton)	1,772.0	19,238.4	17,612.1	1,554.3	1,325.9	1,594.4	1,770.7	1,688.5	1,819.9	—
Exports (thou. ton)	6,610.0	7,908.0	6,767.5	660.8	416.9	297.3	584.6	631.7	666.1	—
Stocks, beginning (thou. ton)	243.0	267.4	225.6	249.7	188.8	233.8	162.7	309.2	279.4	—
Margarine, wholesale price, Chicago (cts./lb.)	43.5	50.3	47.0	42.3	42.6	40.8	40.0	40.0	40.0	39.0

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine.

Fruit

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Wholesale price indexes:										
Fresh fruit (1967=100)	230.4	237.3	226.7	203.3	220.8	237.9	237.9	250.8	264.4	241.6
Dried fruit (1967=100)	479.8	399.2	405.9	410.2	408.7	408.7	408.7	408.7	414.7	414.7
Canned fruit and juice (1967=100)	240.2	256.4	273.8	260.4	278.6	278.8	281.6	275.5	280.1	282.2
Frozen fruit and juice (1967=100)	248.5	244.3	302.8	304.4	319.9	318.0	317.9	313.0	304.9	304.9
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	8.50	15.77	16.08	13.15	14.28	13.83	13.68
Pears, Medford, Or. (\$/box) ²	n.a.	n.a.	n.a.	11.80	n.a.	9.05	8.71	n.a.	n.a.	10.58
Oranges, U.S. avg. (\$/box)	12.50	9.58	11.00	9.01	12.80	12.30	12.00	12.70	11.90	12.10
Grapefruit, U.S. avg. (\$/box)	8.00	8.50	10.10	9.58	12.20	12.70	10.00	8.46	8.48	8.27
Stocks, beginning:										
Fresh apples (mil. lb.)	n.a.	n.a.	n.a.	2,876.5	84.6	17.9	1,424.9	3,872.0	3,332.3	2,676.0
Fresh pears (mil. lb.)	n.a.	n.a.	n.a.	209.6	3.1	63.3	515.6	404.8	264.6	207.9
Frozen fruit (mil. lb.)	n.a.	n.a.	n.a.	536.3	513.8	536.3	563.1	624.7	584.5	520.6
Frozen fruit juices (mil. lb.)	n.a.	n.a.	n.a.	1,121.5	1,644.5	1,507.4	1,341.3	1,229.1	1,102.4	1,127.2

¹ Red Delicious, Washington extra fancy, carton tray pack. 80-113's. ² D'Anjou pears, Medford, or wrapped, U.S. No. 1, 100-135's. n.a. = not available.

Food grains

	Marketing year ¹			1981						1982
	1978/79	1979/80	1980/81	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.38	4.25	4.45	4.60	4.14	4.19	4.31	4.46	4.35	4.33
Wheat, DNS, Minneapolis (\$/bu.) ²	3.17	4.16	4.46	4.85	4.03	4.07	4.22	4.29	4.15	4.21
Flour, Kansas City (\$/cwt.)	7.81	10.03	10.35	10.66	10.30	10.20	10.02	10.31	10.05	10.64
Flour, Minneapolis (\$/cwt.)	8.17	10.27	10.98	11.05	10.75	10.59	10.52	10.68	10.34	10.76
Rice, S.W. La. (\$/cwt.) ³	18.40	22.15	25.95	27.00	26.40	24.30	23.25	21.90	20.75	19.80
Wheat:										
Exports (mil. bu.)	1,194	1,375	1,510	134	150	198	159	129	139	—
Mill grind (mil. bu.)	622	630	647	58	53	55	56	51	50	—
Wheat flour production (mil. cwt.)	278	283	290	26	24	24	25	23	23	—
	Marketing year ¹			1980			1981			
	1978/79	1979/80	1980/81	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat:										
Stocks, beginning (mil. bu.)	1,178	924	902	1,225	902	2,472	1,903	1,329	989	2,734
Domestic use:										
Food (mil. bu.)	592	596	614	95	197	167	153	96	203	159
Feed and seed (mil. bu.) ⁴	245	187	166	35	89	31	21	24	224	25
Exports (mil. bu.)	1,194	1,375	1,510	193	518	371	400	220	622	427

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Cotton

	Marketing year ¹			1981						1982
	1978/79	1979/80	1980/81	Jan	Aug	Sept	Oct	Nov	Dec	Jan
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	61.6	71.5	83.0	85.1	66.4	60.8	60.6	57.5	55.1	57.8
Northern Europe prices:										
Index (cts./lb.) ³	n.a.	n.a.	93.3	99.1	80.7	77.0	75.0	72.0	67.7	70.0
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	n.a.	n.a.	n.a.	81.9	77.6	75.8	72.9	70.0	72.8
U.S. mill consumption (thou. bales)	6,434.8	6,463.0	5,870.5	453.0	446.5	539.8	467.3	419.3	411.9	—
Exports (thou. bales)	6,180.2	9,228.9	5,925.8	703.9	244.3	221.3	274.0	499.6	768.0	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Coffee

	Annual			1981						1982
	1979	1980	1981 p	Jan	Aug	Sept	Oct	Nov p	Dec p	Jan
Composite green price, N.Y. (cts./lb.)	169.50	157.78	122.10	127.51	119.31	112.53	123.65	133.73	132.90	132.00
Imports, green bean equivalent (mil. lb.) ¹	2,656	2,466	2,514	251	162	166	204	213	214	220
	Annual			1980		1981				1982
	1979	1980	1981 p	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p	Jan-Mar p
Roastings (mil. lb.) ²	2,249	2,255	2,324	511	644	627	524	516	657	615

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p = preliminary. * Forecast.

Vegetables

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	4.54	6.32	9.39	11.99	7.34	6.75	6.29	5.54	5.78	6.30
Iceberg lettuce (\$/crt.) ¹	5.10	4.25	5.27	3.90	6.32	5.90	4.34	4.42	9.62	13.96
Tomatoes (\$/crt.) ²	7.86	7.57	9.06	12.49	6.20	5.90	7.29	5.83	6.73	8.64
Wholesale price index, 10 canned veg. (1967=100)	191	200	235	219	240	242	241	245	245	246
Grower price index, fresh commercial veg. (1977=100)	109	110	133	141	119	114	115	120	150	177

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
U.S. raw sugar price, N.Y. (cts./lb.)¹ . . .	15.56	30.11	19.73	29.67	17.42	15.49	15.66	16.28	17.07	18.18
U.S. deliveries (thou. short tons)²	10,714	10,149	9,731	697	853p	985p	783p	767p	745p	661p

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. p = preliminary.

Tobacco

	Annual			1981						1982
	1979	1980	1981 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Prices at auctions:										
Flue-cured (cts./lb.) ¹	140.0	144.5	166.4	—	163.5	172.0	166.5	155.0	—	—
Burley (cts./lb.) ¹	145.2	165.9	180.6	166.0	—	—	—	177.5	180.5	182.0
Domestic consumption²										
Cigarettes (bil.)	614.0	620.7	641.5	53.0	58.7	58.2	56.6	49.7	n.a.	n.a.
Large cigars (mil.)	4,298	3,994	3,920	302.9	319.8	367.8	355.3	324.0	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available, p = preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1981						1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Rail freight rate index¹										
All products (1969=100)	243.4	285.4	327.7	313.8	333.5	333.6	337.6	337.8	337.5	349.7
Farm products (1969=100)	235.0	271.8	310.0	294.4	315.1	315.5	319.3	320.2	319.4	332.9
Grain (Dec. 1978=100)	106.9	127.5	147.2	139.8	149.5	150.1	152.1	152.3	152.3	159.5
Food products (1969=100)	239.5	283.7	329.5	315.7	334.8	334.8	340.0	340.0	340.0	354.0
Rail carloadings of grain (thou. cars)² . . .	27.5	30.1	26.3	31.1	26.2	32.1	25.6	27.4	22.4	23.0
Barge shipments of grain (mil. bu.)³	31.2	36.7	38.2	23.5	45.4	42.8	40.9	50.0	27.2	24.7
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4,5}	n.a.	124	247	134	302	315	283	261	252	270
Rail (thou. cwt.) ^{3,4,5}	806	1,218	711	811	398	480	538	872	615	690
Truck (thou. cwt.) ^{3,4,5}	7,558	7,594	7,662	7,601	7,318	6,040	6,799	7,321	7,673	6,890

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average, from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1981. ⁵ Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds. n.a. not available.

Supply and Utilization: Crops

Supply and Utilization: Domestic Measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm Price ³
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu.
Wheat:											
1977/78	75.4	66.7	30.7	2,046	3,161	193	666	1,124	1,983	1,178	2.33
1978/79	66.0	56.5	31.4	1,776	2,955	158	679	1,194	2,031	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81*	80.6	71.0	33.4	2,374	3,278	51	728	1,510	2,289	989	3.91
1981/82*	88.9	80.9	34.5	2,793	3,784	135	737	1,850	2,722	1,062	3.65-3.75
Rice:											
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/lb.
1977/78	2.26	2.25	4,412	99.2	139.8	71.9	37.7	72.8	110.5	27.4	9.49
1978/79	2.99	2.97	4,484	133.2	160.7	74.2	49.2	75.7	124.9	31.6	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	131.8	25.7	10.50
1980/81*	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	145.9	16.5	12.80
1981/82*	3.84	3.80	4,873	165.4	202.0	73.5	56.5	88.0	144.5	54.0	9.25-10.25
Corn:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1977/78	84.3	71.6	90.8	6,505	7,394	3,745	590	1,948	6,283	1,111	2.02
1978/79	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.62
1980/81*	84.0	73.0	91.0	6,645	8,263	4,139	735	2,355	7,229	1,034	3.11
1981/82*	84.2	74.6	109.9	8,201	9,236	4,250	785	2,175	7,210	2,028	2.40-2.55
Sorghum:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1977/78	16.6	13.8	56.6	781	872	456	11	214	681	191	1.82
1978/79	16.2	13.4	54.5	731	922	545	11	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	968	484	13	325	821	146	2.34
1980/81*	15.6	12.5	46.3	579	726	307	11	299	617	109	2.94
1981/82*	16.0	13.7	64.1	880	989	400	11	275	686	303	2.25-2.35
Barley:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1977/78	10.8	9.7	44.0	428	564	178	156	57	391	173	1.78
1978/79	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81*	8.3	7.3	49.6	361	563	177	172	77	426	137	2.85
1981/82*	9.7	9.2	52.3	478	626	200	175	100	475	151	2.45-2.55
Oats:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1977/78	17.7	13.5	55.8	753	919	509	85	12	606	313	1.10
1978/79	16.4	11.1	52.3	582	896	526	77	13	618	280	1.20
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81*	13.4	8.7	53.0	458	696	432	74	13	519	177	1.79
1981/82*	13.6	9.4	54.0	508	686	435	75	10	520	166	1.80-1.90
Soybeans:											
	Mil. acres		Bu/acre				Mil. bu.				\$/bu.
1977/78	59.0	57.8	30.8	1,767	1,870	*82	927	700	1,709	161	5.88
1978/79	64.7	63.7	29.4	1,869	2,030	*99	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	*85	1,123	875	2,083	359	6.28
1980/81*	70.0	67.9	26.4	1,792	2,151	*89	1,020	724	1,831	318	7.57
1981/82*	68.1	66.7	30.4	2,030	2,348	*88	1,060	850	1,998	350	6.25
Soybean oil:											
							Mil. lbs				c/lb.
1977/78	—	—	—	10,288	11,059	—	8,273	2,057	10,330	729	24.5
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.2
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,270	12,480	—	9,115	1,829	10,744	1,736	22.7
1981/82*	—	—	—	11,554	13,080	—	9,450	2,200	11,650	1,430	20.5
Soybean meal:											
							Thou. tons				\$/ton
1977/78	—	—	—	22,371	22,599	—	16,276	6,080	22,356	243	163.6
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81*	—	—	—	24,312	24,538	—	17,597	6,778	24,375	163	218.2
1981/82*	—	—	—	25,367	25,530	—	18,100	7,200	25,300	230	185

See footnotes at end of table.

Supply and Utilization—Domestic Measure, Continued

	Area		Yield	Production	Total Supply ¹	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ²
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton:											
1977/78	13.7	13.3	520	14.4	17.3	—	6.5	5.5	12.0	5.3	\$52.3
1978/79	13.4	12.4	420	10.9	18.2	—	6.4	6.2	12.5	4.0	\$58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81*	14.5	13.2	404	11.1	14.2	—	5.9	5.9	11.8	2.7	\$74.7
1981/82*	14.3	13.8	546	15.7	18.4	—	5.6	7.0	12.6	6.0	\$58.2

Supply and Utilization—Metric Measure⁶

	Mil. hectares		Metric tons/ha			Mil. metric tons					\$/metric ton
Wheat:											
1977/78	30.5	27.0	2.06	55.7	86.0	5.2	18.1	30.6	53.9	32.1	86
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.6	139
1980/81*	32.6	28.7	2.25	64.6	89.2	1.4	19.8	41.1	62.3	26.9	144
1981/82*	36.0	32.7	2.32	76.0	103.0	3.7	20.1	50.3	74.1	28.9	134-138

Mil. metric tons (rough equiv.)

Rice:											
1977/78	.9	.9	4.94	4.5	6.3	0.1	1.7	3.3	5.0	1.2	209
1978/79	1.2	1.2	5.03	6.0	7.3	0.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	0.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.95	6.6	7.8	0.4	2.5	4.1	6.6	0.8	282
1981/82*	1.6	1.5	5.46	8.4	9.2	0.2	2.6	4.0	6.8	2.4	204-226

Mil. metric tons

Corn:											
1977/78	34.1	29.0	5.70	165.2	187.8	95.1	15.0	49.5	159.6	28.2	80
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.8	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.6	5.71	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82*	34.1	30.2	6.90	208.3	234.6	108.0	19.9	55.2	183.1	51.5	95-100

Feed Grain:											
1977/78	52.4	43.9	4.68	205.3	235.5	117.9	19.9	56.3	194.1	41.4	—
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82*	50.0	43.3	5.74	248.4	283.3	128.7	25.1	64.6	218.4	64.9	—

Soybeans:											
1977/78	23.9	23.4	2.06	48.1	50.9	2.2	25.2	19.1	46.5	4.4	216
1978/79	26.2	25.8	1.98	50.9	55.3	2.7	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.5	2.3	30.6	23.6	56.7	9.8	231
1980/81*	28.4	27.5	1.78	48.8	58.5	2.4	27.8	19.7	49.8	8.7	278
1981/82*	27.7	27.0	2.05	55.3	63.9	2.3	28.8	23.1	54.4	9.5	230

Soybean oil:											
1977/78	—	—	—	4.67	5.02	—	3.75	.93	4.69	.33	540
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	597
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.11	5.66	—	4.14	.74	4.87	.79	500
1981/82*	—	—	—	5.24	5.93	—	4.29	1.00	5.29	.65	452

Soybean meal:											
1977/78	—	—	—	20.29	20.50	—	14.77	5.52	20.28	.22	180
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	209
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81*	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82*	—	—	—	23.01	23.16	—	16.42	6.53	22.95	.21	204

\$/kg

Cotton:											
1977/78	5.5	5.4	.58	3.14	3.77	—	1.42	1.20	2.61	1.15	\$1.15
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	\$1.29
1979/80	5.7	5.2	.81	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81*	5.9	5.3	.45	2.42	3.07	—	1.28	1.28	2.59	.59	\$1.65
1981/82*	5.8	5.6	.61	3.43	4.01	—	1.22	1.52	2.74	1.31	—

*February 11, 1982 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1980				1981			
	1979	1980	1981 p	I	II	III	IV	I	II	III	IV
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product¹	2,413.9	2,626.1	2,924.6	2,571.7	2,564.8	2,637.3	2,730.6	2,853.0	2,885.8	2,965.0	2,995.3
Personal consumption expenditures	1,510.9	1,672.8	1,857.8	1,631.0	1,626.8	1,682.2	1,751.0	1,810.1	1,829.1	1,883.9	1,908.4
Durable goods	212.3	211.9	232.1	220.9	194.4	208.8	223.3	238.3	227.3	236.2	226.8
Nondurable goods	602.2	675.7	743.0	661.1	664.0	674.2	703.5	726.0	735.3	751.3	759.3
Clothing and shoes	98.9	104.8	116.0	102.2	102.3	105.3	109.4	113.4	115.8	117.5	117.1
Food and beverages	312.1	345.7	381.5	336.2	338.4	347.7	360.4	372.5	377.8	386.5	389.4
Services	696.3	785.2	882.7	749.0	768.4	799.2	824.2	845.8	866.5	896.4	922.2
Gross private domestic investment	415.8	395.3	450.7	415.6	390.9	377.1	397.7	437.1	458.6	463.0	443.9
Fixed investment	398.3	401.2	433.7	413.1	383.5	393.2	415.1	432.7	435.3	435.6	431.3
Nonresidential	279.7	296.0	328.3	297.8	289.8	294.0	302.1	315.9	324.6	335.1	337.5
Residential	118.6	105.3	105.4	115.2	93.6	99.2	113.0	116.7	110.7	100.5	93.8
Change in business inventories	17.5	-5.9	17.0	2.5	7.4	-16.0	-17.4	4.5	23.3	27.5	12.6
Net exports of goods and services	13.4	23.3	25.0	8.2	17.1	44.5	23.3	29.2	20.8	29.3	20.8
Exports	281.3	339.8	365.6	337.3	333.3	342.4	346.1	367.4	368.2	368.0	358.9
Imports	267.9	316.5	340.6	329.1	316.2	297.9	322.7	338.2	347.5	338.7	338.2
Government purchases of goods and services	473.8	534.7	591.3	516.8	530.0	533.5	558.6	576.5	577.4	588.9	622.2
Federal	167.9	198.9	230.3	190.0	198.7	194.9	212.0	221.6	219.5	226.4	253.6
State and local	306.9	335.8	361.0	326.8	331.3	338.6	346.6	354.9	357.9	362.5	368.6
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,483.0	1,480.7	1,510.1	1,501.9	1,463.3	1,471.9	1,485.6	1,516.4	1,510.4	1,515.8	1,497.6
Personal consumption expenditures	930.9	935.1	958.8	943.4	919.3	930.8	946.8	960.2	955.1	962.8	957.2
Durable goods	146.6	135.8	139.4	145.4	126.2	132.6	139.1	146.8	137.4	140.3	133.2
Nondurable goods	354.6	358.4	367.1	361.5	356.6	354.9	360.4	364.5	367.0	368.8	368.2
Clothing and shoes	76.6	78.0	83.7	76.9	76.7	78.3	80.1	82.8	84.0	84.2	83.8
Food and beverages	176.7	181.5	184.4	183.6	182.2	180.1	179.9	182.9	185.0	185.2	184.5
Services	429.6	440.9	452.3	436.5	436.5	443.3	447.3	448.9	450.7	453.7	455.8
Gross private domestic investment	232.6	203.6	215.0	218.3	200.5	195.3	200.5	211.6	219.7	221.5	207.2
Fixed investment	222.5	206.6	207.4	219.2	199.2	200.2	207.6	213.1	208.9	206.5	201.0
Nonresidential	163.3	158.4	162.2	165.0	156.1	155.5	157.0	162.0	161.1	163.9	161.7
Residential	59.1	48.1	45.2	54.2	43.1	44.7	50.6	51.0	47.8	42.7	39.3
Change in business inventories	10.2	-2.9	7.6	-9	1.3	-5.0	-7.2	-1.4	10.8	14.9	6.2
Net exports of goods and services	37.7	52.0	44.5	50.1	51.7	57.6	48.5	50.9	46.2	43.2	37.5
Exports	146.9	161.1	159.6	165.9	160.5	160.5	157.4	162.5	161.5	160.1	154.2
Imports	109.2	109.1	115.1	115.8	108.9	102.8	108.9	111.6	115.4	116.9	116.7
Government purchases of goods and services	281.8	290.0	291.6	290.1	291.9	288.2	289.8	293.6	289.5	288.3	295.6
Federal	101.7	108.1	111.6	107.6	110.7	106.9	107.4	111.2	108.7	109.6	116.9
State and local	180.1	181.9	180.2	182.5	181.2	181.3	182.4	182.5	180.7	178.8	178.8
New plant and equipment expenditures (\$bil.)	270.46	295.63	322.61	291.89	294.36	296.23	299.58	312.24	316.73	328.25	332.06
Implicit price deflator for GNP (1972=100)	162.77	177.36	193.69	171.23	175.28	179.18	183.81	188.14	191.06	195.61	200.01
Disposable income (\$bil.)	1,641.7	1,821.7	2,015.8	1,765.1	1,784.1	1,840.6	1,897.0	1,947.8	1,985.6	2,042.0	2,087.9
Disposable income (1972 \$bil.)	1,011.5	1,018.4	1,040.3	1,021.0	1,008.2	1,018.5	1,025.8	1,033.3	1,036.8	1,043.6	1,047.3
Per capita disposable income (\$)	7,293	8,002	8,769	7,785	7,848	8,074	8,299	8,504	8,651	8,873	9,048
Per capita disposable income (1972 \$)	4,493	4,473	4,525	4,503	4,435	4,468	4,488	4,511	4,517	4,535	4,539
U.S. population, tot. incl. military abroad (mil.)*	225.1	227.7	229.8	226.7	227.3	228.0	228.6	229.1	229.5	230.1	230.7
Civilian population (mil.)*	223.0	225.6	227.7	224.6	225.2	225.9	226.5	226.9	227.4	228.0	228.6

See footnotes at end of next table.

Selected monthly indicators

	Annual			1981							1982
	1979	1980	1981 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan p	
Monthly data seasonally adjusted except as noted											
Industrial production, total ¹ (1967=100)	152.5	147.0	151.0	151.0	153.6	151.6	149.1	146.4	143.4	139.1	
Manufacturing (1967=100)	153.6	146.7	150.4	151.1	153.2	151.1	148.0	145.2	141.9	137.1	
Durable (1967=100)	146.4	136.7	140.5	141.0	143.4	140.9	137.8	134.5	131.0	126.0	
Nondurable (1967=100)	164.0	161.2	164.8	165.6	167.3	165.9	162.8	160.6	157.6	153.2	
Leading economic indicators ¹ (1967=100)	140.1	131.2	133.2	135.2	134.2	130.8	128.6	128.2	127.8	127.0	
Employment ⁴ (Mil. persons) [*]	96.9	97.3	100.4	99.9	100.8	100.3	100.3	100.2	99.6	99.6	
Unemployment rate ⁴ (%) [*]	5.8	7.1	7.6	7.4	7.3	7.6	8.0	8.3	8.8	8.5	
Personal income ¹ (\$ bil. annual rate)	1,943.8	2,160.2	2,404.0	2,300.7	2,443.4	2,462.6	2,474.7	2,492.0	2,490.9	2,494.7	
Hourly earnings in manufacturing ⁴ (\$)	6.69	7.27	7.99	7.73	8.02	8.15	8.15	8.20	8.25	8.38	
Money stock-M1 (daily avg.) (\$bil.)	738.9	741.5	744.9	417.9	431.1	431.2	432.9	436.4	440.9	448.6	
Money stock-M2 (daily avg.) (\$bil.)	1,518.9	1,656.1	1,822.3	1,665.6	1,772.2	1,778.1	1,789.3	1,809.6	1,822.3	1,839.8	
Three-month Treasury bill rate ² (%)	10.041	11.506	14.077	14.724	15.612	14.951	13.673	11.269	10.926	12.412	
Ass corporate bond yield (Moody's) ³ (%)	9.63	11.94	14.17	12.81	14.89	15.49	15.40	14.22	14.23	15.18	
Interest rate on new home mortgages ³ (%)	10.77	12.65	14.70	13.26	15.27	15.29	15.65	16.38	15.87	15.13	
Housing starts, private (incl. farm) (thou.)	1,745.1	1,292.2	1,085.3	1,585	946	899	854	860	899	894	
Auto sales at retail, total ¹ (mil.)	10.6	9.0	8.5	9.6	10.4	8.8	7.2	7.6	7.2	8.2	
Business sales, total ¹ (\$ bil.)	294.7	320.5	349.9	349.0	352.8	353.7	345.3	345.2	343.3	—	
Business inventories, total ¹ (\$ bil.)	423.8	464.9	497.2	478.5	602.5	508.1	511.7	515.2	513.1	—	
Sales of all retail stores (\$ bil.) ⁵	74.5	79.7	87.1	85.5	88.6	88.7	86.7	87.2	87.1 p	86.1	
Durable goods stores (\$ bil.)	25.4	24.8	27.4	27.1	28.4	28.4	26.3	26.5	26.6 p	25.7	
Nondurable goods stores (\$ bil.)	49.1	54.9	59.7	58.4	60.2	60.3	60.3	60.7	60.4 p	60.4	
Food stores (\$ bil.)	16.3	18.1	19.8	19.1	20.3	20.1	20.2	20.5	20.3 p	20.1	
Eating and drinking places (\$ bil.)	6.6	7.2	7.9	7.9	7.8	6.1	8.1	8.0	7.9 p	7.9	
Apparel and accessory stores (\$ bil.)	3.5	3.7	4.0	3.9	4.1	4.1	4.0	3.9	4.0 p	3.9	

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. * December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. *Data for 1981 have been revised based on 1980 census population count.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1981							1982
	1979	1980	1981	Jan	Aug	Sept	Oct	Nov	Dec	Jan	
Export commodities:											
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.45	4.78	4.80	5.20	4.68	4.72	4.64	4.89	4.74	4.76	
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.01	3.28	3.40	3.94	3.38	3.10	2.96	2.84	2.79	2.76	
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.38	3.28	3.89	3.12	2.89	2.85	2.88	2.90	2.98	
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.59	7.39	7.40	8.12	7.25	7.01	6.74	6.62	6.55	6.72	
Soybean oil, Decatur (cts./lb.)	27.59	23.63	21.07	22.41	20.41	19.02	19.38	19.78	18.64	19.37	
Soybean meal, Decatur (\$/ton)	191.08	196.47	218.65	219.81	200.36	189.60	180.48	179.40	188.30	192.53	
Cotton, 10 market avg. spot (cts./lb.)	61.81	81.13	71.93	85.11	66.44	60.81	60.63	57.47	55.11	57.83	
Tobacco, avg. price of auction (cts./lb.)	132.15	142.29	156.48	149.40	162.04	166.98	161.46	163.53	168.94	169.97	
Rice, f.o.b. mill, Houston (\$/cwt.)	20.25	21.89	25.63	26.55	25.00	24.65	23.50	22.60	22.00	21.75	
Inedible tallow, Chicago (cts./lb.)	23.45	18.52	15.27	15.81	15.00	14.50	14.50	13.91	13.57	13.38	
Import commodities:											
Coffee, N.Y. spot (\$/lb.)	1.74	1.64	1.27	1.25	1.29	1.14	1.29	1.45	1.47	1.44	
Sugar, N.Y. spot (cts./lb.)	15.81	30.10	19.73	29.57	17.42	15.49	15.66	16.28	17.07	18.16	
Cow meat, f.o.b. port of entry (cts./lb.)	130.98	125.18	n.a.	121.73	111.50	112.30	n.a.	n.a.	n.a.	n.a.	
Rubber, N.Y. spot (cts./lb.)	64.57	73.80	56.79	70.38	53.72	50.19	46.47	45.47	45.37	48.50	
Cocoa beans, N.Y. (\$/lb.)	1.44	1.14	.90	.92	.97	1.01	.95	.88	.92	.96	
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.91	6.89	7.28	7.03	5.54	7.89	7.06	7.18	7.55	7.71	

n.a. = not available.

U.S. agricultural exports

	January-December				December			
	1980	1981	1980	1981	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry.	—	—	165,770	210,588	—	—	14,494	18,048
Meat and preps., excluding poultry (mt).	413	444	889,841	996,693	34	38	81,608	82,151
Dairy products, excluding eggs	—	—	125,673	299,378	—	—	16,867	40,947
Poultry and poultry products	—	—	603,224	769,705	—	—	60,681	59,611
Grains and preparations	—	—	17,991,143	19,389,424	—	—	1,915,997	1,426,688
Wheat and wheat flour (mt).	36,545	44,770	6,585,985	8,073,255	3,628	3,768	702,824	656,818
Rice, milled (mt).	2,298	1,865	993,563	981,611	154	117	77,763	61,248
Feed grains, excluding products (mt).	72,577	64,906	9,759,327	9,398,714	6,716	5,315	1,023,564	651,650
Other.	—	—	652,268	935,844	—	—	111,846	56,972
Fruits, nuts, and preparations	—	—	2,092,347	2,077,484	—	—	173,404	166,460
Vegetables and preparations	—	—	1,187,812	1,553,076	—	—	153,879	145,093
Sugar & preps., including honey.	—	—	449,568	620,589	—	—	95,007	23,080
Coffee, tea, cocoa, spices, etc. (mt). . . .	47	52	199,146	224,467	5	5	23,233	22,367
Feeds and fodders	—	—	2,852,747	2,727,801	—	—	287,462	235,523
Protein meal (mt).	7,427	6,811	1,726,787	1,661,340	715	643	191,035	145,577
Beverages excl. distilled alcohol (Gal.).	35,175	20,366	60,952	39,915	3,812	770	7,817	1,551
Tobacco, unmanufactured (mt).	272	265	1,334,066	1,457,451	30	26	162,021	149,454
Hides, skins, and furskins	—	—	1,045,617	1,024,193	—	—	90,078	100,904
Oilseeds	—	—	6,399,793	6,762,318	—	—	712,358	597,575
Soybeans (mt).	21,779	21,830	5,879,942	5,185,529	2,027	2,004	635,322	508,425
Wool, unmanufactured (mt).	3	4	25,111	38,839	(¹)	(¹)	1,212	4,435
Cotton, unmanufactured (mt).	1,881	1,324	2,880,134	2,277,320	127	170	226,037	260,571
Fats, oils, and greases (mt).	1,571	1,568	768,569	759,692	121	140	59,918	67,155
Vegetable oils and waxes (mt).	1,837	1,651	1,215,790	1,076,931	142	164	99,059	94,993
Rubber and allied gums (mt).	18	14	25,577	26,837	1	1	1,938	1,016
Other.	—	—	920,526	1,005,247	—	—	96,353	98,720
Total	—	—	41,233,406	43,336,948	—	—	4,279,423	3,596,342

¹ Less than 500,000.

Trade balance

	January-December		December	
	1980	1981	1980	1981
	\$ Mil.			
Agricultural exports	41,233	43,337	4,279	3,596
Nonagricultural exports	175,435	185,624	14,944	15,035
Total exports ¹	216,668	228,961	19,223	18,631
Agricultural imports	17,366	16,778	1,538	1,381
Nonagricultural imports	226,641	242,234	19,814	18,136
Total imports ²	244,007	259,012	21,352	19,517
Agricultural trade balance	23,867	26,559	2,741	2,215
Nonagricultural trade balance	-51,206	-56,610	-4,870	-3,101
Total trade balance	-27,339	-30,051	-2,129	-886

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports by regions.

Region and country ¹	January-December		December		Change from year earlier	
	1980	1981	1980	1981	January-December	December
	\$ Mil.				percent	
Western Europe	11,685	11,835	1,062	1,084	+1	+2
European Community (EC-10)	9,239	9,059	867	807	-2	-7
Germany, Fed. Rep.	1,831	1,759	150	166	-4	+11
Greece	307	168	6	16	-49	+167
Italy	1,094	1,181	117	85	+8	-27
Netherlands	3,412	3,301	399	297	-3	-26
Other Western Europe	2,448	2,777	195	277	+13	+42
Portugal	608	757	56	69	+25	+23
Spain	1,129	1,268	69	128	+12	+86
Eastern Europe	2,073	1,652	240	71	-20	-70
German Dem. Rep.	453	285	66	16	-37	-76
Poland	571	593	61	20	+4	-67
Romania	463	368	47	0	-21	-100
USSR	1,046	1,664	230	280	+59	+22
Asia	14,886	15,777	1,554	1,300	+6	-16
West Asia	1,358	1,716	195	108	+26	-45
Iran	8	249	0	13	+3,012	+100
Iraq	256	124	26	2	-52	-92
Israel	299	354	47	15	+18	-68
Saudi Arabia	376	465	50	33	+24	-34
South Asia	734	787	20	62	+7	+210
India	317	477	16	49	+50	+206
Pakistan	158	179	2	12	+13	+500
East and Southeast Asia	12,794	13,275	1,339	1,131	+4	-16
China, Mainland	2,210	1,956	289	193	-11	-33
Japan	6,111	6,561	617	565	+7	-8
Korea, Rep.	1,798	2,008	196	141	+12	-28
Taiwan	1,095	1,146	124	131	+5	+6
Africa	2,238	2,836	165	153	+27	-7
North Africa	1,195	1,515	77	69	+27	-10
Algeria	176	292	23	16	+66	-30
Egypt	771	968	45	43	+26	-4
Other Africa	1,044	1,322	88	84	+27	-5
Nigeria	349	544	33	60	+56	+82
Latin America and Caribbean	6,164	6,366	738	458	+3	-38
Brazil	680	711	131	47	+5	-64
Caribbean	735	801	59	60	+9	+2
Central America	409	370	34	31	-10	-9
Mexico	2,481	2,431	317	165	-2	-48
Peru	316	421	54	19	+33	-65
Venezuela	701	893	76	95	+27	+25
Canada	1,836	1,989	186	165	+8	-11
Canada for transshipment	1,116	976	86	55	-13	-36
Oceania	189	240	19	29	+27	+53
Total²	41,233	43,337	4,279	3,596	+5	-16

¹ Not adjusted for transshipments. ² Regions may not add to totals due to rounding.

U.S. agricultural imports

	January-December				December			
	1980	1981	1980	1981	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	399,575	329,411	—	—	40,229	34,096
Meat and preparations, excl. poultry (mt) . . .	931	831	2,341,280	1,990,274	87	54	224,175	129,170
Beef and veal (mt)	703	603	1,780,234	1,407,622	66	37	167,331	83,112
Pork (mt)	197	196	486,172	493,892	18	15	49,144	40,652
Dairy products, excluding eggs	—	—	487,902	524,362	—	—	73,192	79,143
Poultry and poultry products	—	—	82,197	91,862	—	—	7,426	6,335
Grains and preparations	—	—	283,413	318,155	—	—	24,918	28,143
Wheat and flour (mt)	3	7	753	3,056	(¹)	(¹)	95	129
Rice (mt)	4	8	2,022	5,176	(¹)	1	157	381
Feed grains (mt)	173	161	29,074	29,859	14	24	2,802	4,171
Other	—	—	251,564	280,064	—	—	21,864	23,462
Fruits, nuts, and preparations	—	—	1,233,390	1,530,129	—	—	102,910	106,890
Bananas, Fresh (mt)	2,352	2,458	416,183	524,938	234	175	40,515	37,474
Vegetables and preparations	—	—	863,929	1,055,143	—	—	64,620	82,718
Sugar and preparations, incl. honey	—	—	2,205,374	2,390,574	—	—	184,624	291,670
Sugar, cane or beet (mt)	3,744	4,585	1,994,898	2,141,207	247	818	169,081	276,388
Coffee, tea, cocoa, spices, etc. (mt)	1,625	1,636	5,394,701	4,087,104	180	133	456,161	316,784
Coffee, green (mt)	1,089	993	3,872,659	2,822,773	103	93	311,149	226,377
Cocoa beans (mt)	151	249	395,295	466,108	20	12	43,172	20,259
Feeds and fodders	—	—	92,260	113,257	—	—	9,101	8,145
Protein meal (mt)	26	53	4,778	9,859	2	5	515	789
Beverages, incl. distilled alcohol (hl)	9,252	10,499	1,058,691	1,158,129	802	897	99,343	107,606
Tobacco, unmanufactured (mt)	166	152	391,664	354,024	10	6	21,929	15,315
Hides, skins, and furskins	—	—	230,066	268,681	—	—	29,225	14,040
Dilseeds	—	—	59,734	386,859	—	—	7,461	5,769
Soybeans (mt)	6	8	1,975	2,527	3	1	1,141	225
Wool, unmanufactured (mt)	34	48	115,293	163,219	2	3	8,350	11,542
Cotton, unmanufactured (mt)	24	12	10,491	8,238	1	2	1,049	811
Fats, oils, and greases (mt)	9	13	7,292	9,554	1	1	1,016	726
Vegetable oils and waxes (mt)	704	761	529,336	475,509	99	60	59,730	35,675
Rubber and allied gums (mt)	617	676	816,701	778,096	46	50	59,196	47,651
Other	—	—	762,822	745,930	—	—	62,881	59,331
Total	—	—	17,366,111	16,778,310	—	—	1,537,536	1,381,360

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.822 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 F
	Mil. units							
Wheat:								
Area (hectare)	219.8	224.8	232.5	226.4	228.3	227.5	235.7	236.5
Production (metric ton)	357.3	350.6	421.2	384.4	446.6	422.5	438.9	452.6
Exports (metric ton) ¹	63.9	66.7	63.1	73.0	72.0	86.1	94.1	101.4
Consumption (metric ton) ²	363.8	351.7	385.2	401.7	429.9	444.0	442.9	447.3
Ending stocks (metric ton) ³	63.9	62.8	98.8	81.5	100.9	79.4	75.5	80.8
Coarse grains:								
Area (hectare)	342.8	350.2	344.6	345.0	342.6	341.3	341.1	344.3
Production (metric ton)	628.5	645.3	704.4	700.7	753.8	741.4	726.9	769.6
Exports (metric ton) ¹	63.4	76.4	82.5	84.0	90.1	101.0	105.6	103.3
Consumption (metric ton) ²	634.7	645.9	685.4	692.1	747.3	742.5	736.4	741.1
Ending stocks (metric ton) ³	57.3	56.7	75.6	84.2	90.3	89.2	79.7	108.2
Rice, milled:								
Area (hectare)	137.8	142.8	141.6	142.9	142.5	143.1	144.5	144.9
Production (metric ton)	227.3	243.1	236.2	248.9	259.2	254.0	266.3	274.4
Exports (metric ton) ¹	7.8	9.0	10.5	9.5	11.7	12.5	13.0	11.8
Consumption (metric ton) ²	228.9	235.5	237.5	243.1	254.7	257.7	266.6	274.0
Ending stocks (metric ton) ³	11.3	18.9	17.6	23.6	28.6	24.8	24.6	25.0
Total grains:								
Area (hectare)	700.4	717.8	718.7	714.3	713.4	711.9	721.3	725.7
Production (metric ton)	1,213.1	1,239.0	1,361.8	1,334.0	1,459.6	1,417.9	1,432.1	1,496.6
Exports (metric ton) ¹	135.1	152.1	156.1	166.5	173.8	199.6	212.7	216.5
Consumption (metric ton) ²	1,227.4	1,233.1	1,308.1	1,336.9	1,431.9	1,444.2	1,445.9	1,462.4
Ending stocks (metric ton) ³	132.5	138.4	192.0	189.3	219.8	193.4	179.8	214.0
Oilseeds and meals:^{4,5}								
Production (metric ton)	65.1	73.3	66.7	78.6	83.4	95.2	85.8	92.6
Trade (metric ton)	27.7	33.8	33.9	38.8	40.6	46.2	44.1	46.0
Fats and Oils:⁵								
Production (metric ton)	46.2	49.3	47.4	52.4	54.8	58.7	56.9	59.0
Trade (metric ton)	14.0	16.1	16.9	18.3	19.3	20.8	20.0	20.8
Cotton:								
Area (hectare)	33.4	29.8	30.7	32.8	32.4	32.1	32.7	33.5
Production (bale)	64.5	54.0	56.7	64.1	60.1	65.6	65.6	70.8
Exports (bale)	17.5	19.1	17.6	19.1	19.8	22.7	19.9	20.6
Consumption (bale)	58.7	61.1	60.6	60.0	62.8	65.3	65.2	66.3
Ending stocks (bale)	30.9	24.0	20.4	25.0	22.2	22.4	23.1	27.2

F = Forecast. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stocks changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1975 data corresponds with 1974/75, 1976 data with 1975/76, etc.

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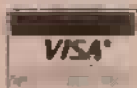
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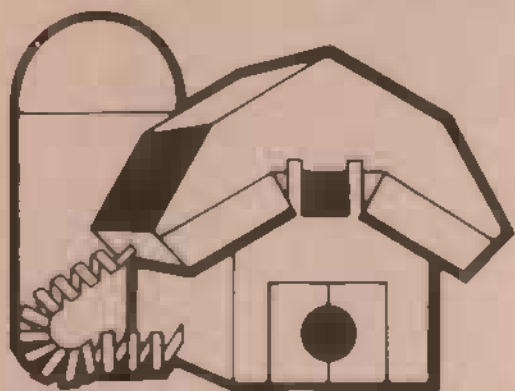
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